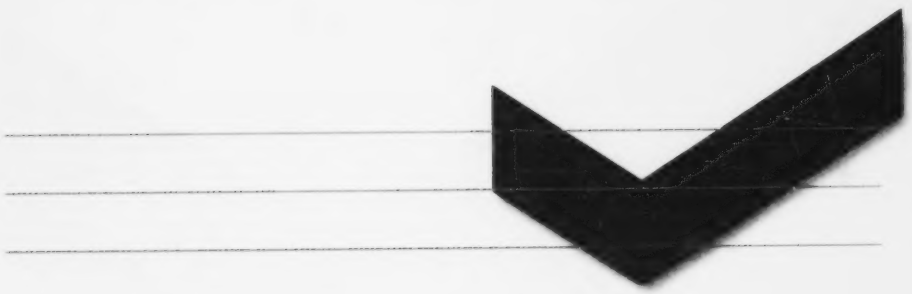
Annual Accountability

REPORT

for the fiscal year 2001-02

PROVINCE OF NOVA SCOTIA



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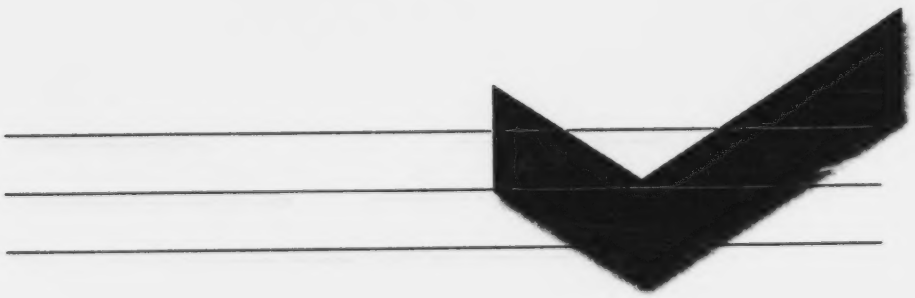

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For further information about the Government of Nova Scotia's Annual Accountability Report, please contact:

Treasury and Policy Board
Government of Nova Scotia
PO Box 1617
Halifax, Nova Scotia
Canada B3J 2Y3

Telephone: (902) 424-8910
Fax: (902) 424-7638
E-mail: tpbenquiries@gov.ns.ca

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Message from Premier John Hamm

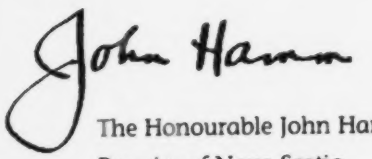
I am pleased to present the Government of Nova Scotia's *Annual Accountability Report* for the fiscal year 2001–02. This is a straightforward account of what the provincial government accomplished last year, something Nova Scotians deserve from all governments.

Accountability reports, required by legislation we passed in 2000, have given new meaning to the business planning process. Government staff are more focused on accomplishing their annual goals, and deputy ministers' performance appraisals are now tied to the achievements in their business plans.

We are continually improving this reporting process, and this year we have added more data to measure our progress. While government cannot control all of the factors that influence these measures, like all Nova Scotians, we must gauge how well the province is doing in order to improve.

I believe this is a useful reference document that will help Nova Scotians reflect on our accomplishments in the last year—and the promise of years to come. This kind of thorough planning process is essential to making Nova Scotia a healthier and more prosperous place in which to live.

Nova Scotians can feel confident that we have a plan and it's working.



The Honourable John Hamm
Premier of Nova Scotia

Preface

The *Annual Accountability Report 2001–02* is based on the *Government Business Plan 2001–02*, published in April 2001.

Every attempt has been made to respond to all of the information contained in the business plan. As well, considerable new information has been added to cover significant government activities or events that may not have been included in the government business plan.

However, the report's format is not identical to that of the business plan. A number of changes have been made to make the product more concise and to avoid repetition.

The report is structured around the core business areas of government rather than the annual goals for that year. Using core businesses gives more consistent treatment of similar information from year to year. While government's top priorities may change over time, its core businesses do not.

The report outlines how government responded to each initiative within the core business area. For easy reference the name of departments involved and the specific goal are listed at the bottom of each item. In cases where the initiative did not appear in the original business plan, no goal is listed.

To make the performance measures more useful and understandable, a number of significant changes have also been made in the way they are reported. This follows a full analysis of the measurement process in 2001–02, which resulted in the following changes.

- Measures now respond to the topics in the 2001–02 business plan, but in a modified form.
- Measures are not expressed as numbers alone. Each measure is given context to explain what the statistics mean, why they are important, and how they relate to goals and priorities.
- Rather than appearing in a table at the end of the report, the performance measures are integrated into the report to complement the relevant narrative.

With these format changes, readers will be able to find similar topics grouped together, rather than spread throughout the report.

The *Annual Accountability Report* provides a summary of government activities for the year. For more detail, please refer to the companion reports produced by individual departments and agencies, which are available on the departmental/agency websites in .pdf format for easy downloading. For a quick link to these websites, go to the Government Directory at <http://www.gov.ns.ca/gov_index.asp>.

It should be noted that while many of the initiatives have continued beyond fiscal 2001–02, this report reflects progress to the end of March 2002.

Detailed financial results on the Government of Nova Scotia's performance in 2001–02 are published by the Department of Finance in a separate report, *Public Accounts for the Fiscal Year 2001–02*.

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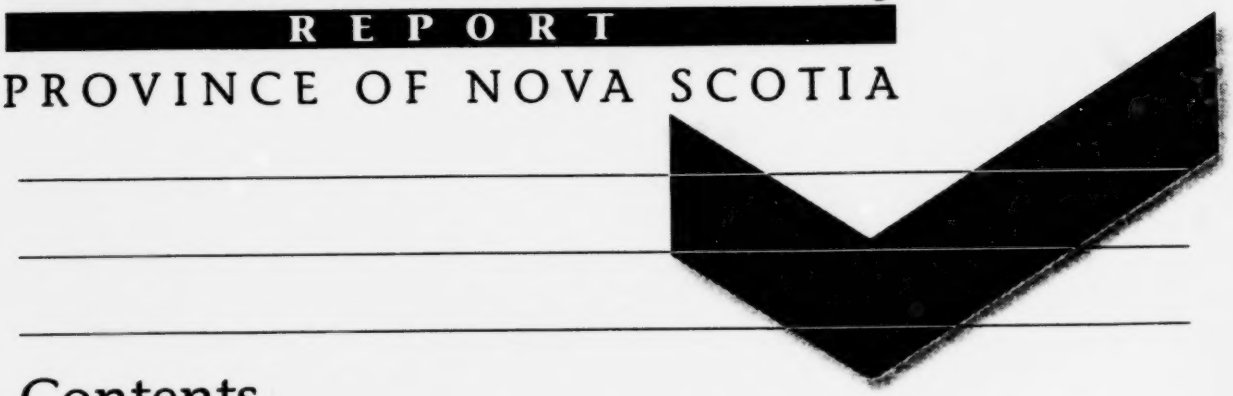

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Introduction

The purpose of this publication is to report on the results of the Government of Nova Scotia's business plans for 2001–02.

The *Government Business Plan 2001–02* was a blueprint for action. It identified goals for the province and a series of initiatives to help reach them.

These initiatives were designed to help Nova Scotia in both the long and the short term. Some laid the groundwork for the province to take advantage of future opportunities, while others focused on programs and services to meet more immediate needs.

The Government Business Plan was built around six broad goals that served as a framework for corporate and departmental initiatives and business plans:

- to put—and keep—Nova Scotia's finances in order
- to put crucial services—health, education, social services—on a sustainable foundation
- to provide responsible, accountable governance
- to create conditions that help the economy grow
- to provide Nova Scotians with opportunities to learn throughout their lives, so they can continue to succeed in a rapidly changing world
- to foster an environment that allows and encourages Nova Scotians to work, live, raise families, and stay in Nova Scotia.

A clear understanding of government's core business areas—along with expected outcomes—is critical to ensuring performance and accountability.

The *2001–02 Government Business Plan* was based on the assumption that the core businesses of government, representing the bulk of services to Nova Scotians, would continue to be improved. The *Annual Accountability Report* responds to the goals and initiatives in the context of government's six core business areas:

- health and health care
- education and learning
- the economy
- families and communities
- the environment
- government services

Health and Health Care

In 2001–02 the Government of Nova Scotia continued its efforts to maintain an excellent health system for people who are ill. There was also a recognition of the need to focus on the determinants of health—the factors that affect how healthy a person is. These factors include income level, social context, education, employment, working and living conditions, physical environment, family history, personal health practices, and coping skills.

Demand for health services continued to increase for a variety of reasons. Nova Scotians, when compared to the average Canadian, had above-average rates of smoking and lower levels of physical activity. They were also more prone to illness and more likely to die from chronic diseases such as cancer and respiratory problems.

As in all jurisdictions, the increase in demand put pressure on health budgets and services. The government worked in 2001–02 on a broader approach to health-care delivery that will both help Nova Scotians live healthier lives and make the best use of limited health-care dollars.

The following initiatives support government's goal to put crucial services—health, education, social services—on a sustainable foundation.

Major Initiatives 2001–02

INITIATIVE

Primary health care renewal

The Government of Nova Scotia focused in 2001–02 on ways to improve primary health care—the first level of care and the patient's main point of contact with the health-care system.

An Advisory Committee on Primary Health Care Renewal was established in 2001, with representatives of the health professions, health service organizations, community health centres, the academic community, Community Health Boards, and First Nations and African-Nova Scotian communities.

The committee used a "population health" approach to health planning, an approach that takes into account the health of the entire population and tries to reduce inequities among different groups in the population. It accomplishes this by looking at and acting upon the determinants of health.

Nova Scotia continued with four demonstration projects in Halifax, Springhill, Pictou, and Caledonia that were funded through the federal Primary Health Care Transition Fund. These projects involved teams of nurse-practitioners, physicians, and other health-care providers. They continued to study new ways of promoting good health and providing health services to Nova Scotians as well as new approaches to managing health information.

Broad stakeholder consultation sessions in November 2001 generated a vision statement for primary health care that was refined by the Advisory Committee on Primary Health Care and endorsed by the Department of Health in early 2002:

> *In 15 years the health status of the population of Nova Scotia will be improved because individuals, families, communities and non-government and government organizations within and outside the health sector have been enabled to positively influence the many factors that influence health. Communities will be supported in their efforts to improve health by a primary health care system that is*

- Community-based, family-focused, and person-centred
- Comprehensive
- Responsive and flexible
- Accessible
- Integrated, collaborative, and innovative
- Accountable
- Sustainable

INITIATIVE

Public health and health promotion

The work of the Department of Health is guided by a population health approach, which will enable the province to effectively address the significant health challenges we face. Citizens, government, business, and non-government partners can begin working together to change our physical and social environment and find ways to improve the health of communities across the province.

Supported by the District Health Authorities (DHAs) and other partners, population health initiatives have focused on

- healthy eating, access to affordable food, healthy weights, and reduced rates of chronic disease
- breastfeeding to improve child-health outcomes, accomplished by increasing the number of families that choose to start and continue breastfeeding and by encouraging health-system partners to adopt the Baby-Friendly Initiative

- physical activity to promote health and reduce rates of chronic disease
- injury prevention to promote enhanced understanding of injuries as preventable incidents versus accidents or acts of fate

The Nova Scotia Trauma and Public Health/Health Promotion initiatives also participated in the formation of the Atlantic Network for Injury Prevention. Both initiatives aim to enhance the injury-prevention efforts within the province, leading to a reduction in the number of Nova Scotians who are affected by often life-threatening injuries.

Other health promotion initiatives have included

- addiction strategies to address gaps in services for rural women and youth
- a review of the provincial fluoride mouth-rinse program to improve oral health of the most at-risk elementary-age children
- public consultation with stakeholders and distribution of the Framework for Action on HIV/AIDS, which provides the basis of the HIV/AIDS strategy for Nova Scotia
- a comprehensive influenza strategy to decrease the number of Nova Scotians who suffer from the flu
- a comprehensive Tobacco Strategy to prevent tobacco initiation and use, to support tobacco cessation, and to protect children and youth from environmental tobacco smoke

Government allocated a $1-million Wellness Fund to Community Health Boards (CHBs) to use for the promotion of healthy living. Each board was given up to $38,000 for community health initiatives to help residents keep well, ranging from mental health, nutrition, and recreation services.

INITIATIVE

New approaches to chronic disease management

Increased attention to chronic disease management offers both health and economic benefits.

With a mandate to coordinate programs and services for cancer patients and their families, Cancer Care Nova Scotia established a patient information and navigation service in 2001–02. This was designed to give patients and their families reliable, personal, and consistent guidance as they move from diagnosis through treatment and beyond.

With the success of the Improving Cardiovascular Outcomes in Nova Scotia (ICONS) and related heart-health programs, the Department of Health worked with many others in the health

system during 2001–02 on a coordinated approach to planning, delivering, and evaluating programs and services aimed at preventing and treating cardiac and cardiovascular diseases among Nova Scotians.

In partnership with Dalhousie University and other health-system participants, the Department of Health began to develop a comprehensive chronic disease prevention strategy.

INITIATIVE

Health human resources—recruitment of health-care professionals

The Department of Health employs many strategies to place health-care providers appropriately across the province in order to address the health needs of Nova Scotians.

The Government of Nova Scotia launched a $5-million nursing strategy to ensure that Nova Scotia has the right number of nurses in the future. The plan emphasized strategies to recruit and retain nurses in the province. The nursing network, a multi-stakeholder group with representation from employers, educators, regulatory bodies, unions, and practising nurses, continued to act as an advisory body to government in 2001–02.

Legislation dealing with registered nurses, licensed practical nurses, and nurse practitioners was amended in 2001–02 to allow more flexible options for providing needed health services.

The province initiated a 10-week co-operative education program for nurses who have completed their third year of education. This practical experience, available at sites across the province, better prepares nursing students for their final year of education. It is expected that this program will result in increased retention of nursing graduates in the province.

Many years of increasing pressures on Nova Scotia's health-system providers came to a head during the of 2001, when nurses and other health-care workers threatened strike action to back their contract demands. A "final offer selection" process was agreed to by both parties and resulted in salary increases for nurses and other health-care workers. This resulted in competitive wages and benefits (within the Atlantic region) for registered nurses.

These decisions, though costly for government, brought some stability to health-care sector labour relations and supported ongoing efforts to recruit and retain the health-care professionals our province needs.

In May 2001, a Physician Resource Planning Steering Committee was established to oversee the development and implementation of a comprehensive physician resource plan for Nova Scotia.

With representatives from the physician and academic communities as well as the DHAs and the Department of Health, the committee has overseen a plan to ensure the sustainability of physician resources, anticipate changes that affect the need or availability of physician resources, and support plans to recruit or retain physicians. Province-wide consultations began in February 2002 to present the plan and seek input on implementation.

Government responded in 2001–02 to concerns about lack of physicians' services in some areas of Nova Scotia. Under-served areas are those with a history of recruitment and retention difficulties, where the medical needs of the community are not being otherwise met. Incentive programs for these areas were made available to help recruit physicians, and all but 5 of 34 physician positions were filled in 21 under-served areas.

The department began to gather data regarding all health-care providers in Nova Scotia in order to provide a more complete picture of the health-care labour force and to enable planning for those professions. Nova Scotia also took the lead during 2001–02 in developing a collaborative approach to health human-resource planning at both the national and the Atlantic regional level.

Government passed a new Pharmacy Act to support the evolving role of pharmacists and to enable pharmacists to better serve the public. The act replaces the former Pharmacy Act, which was first introduced in 1876 and amended many times over the years.

INITIATIVE

Work with the District Health Authorities and Community Health Boards to establish a health system that is community-based, integrated, and sustainable. This includes implementation of a process of decision making for clinical services planning and delivery of care that is based on sound information. (Health) (Goal 2, Major Initiative #5)

The Department of Health worked closely in 2001–02 with DHAs, CHBs, and other service providers in the health system to plan and deliver quality care and service to Nova Scotians.

Established in early 2001, Nova Scotia's nine DHAs matured in their roles of governing, planning, managing, delivering, and evaluating the health system in their respective districts in 2001–02. They continued to develop their board, executive, and medical staff organizations to comply with the Health Authorities Act and the expectations of the Department of Health.

All nine DHAs completed and submitted business plans to the Department of Health as part of their contribution to the management and direction of the provincial health system. They also regularly reported to the Minister on financial and key operational matters related to health and health care of Nova Scotians.

Services managed and delivered at the district level include acute care, mental health, addiction, and public health services. DHAs began incorporating the planning methods and principles of the Clinical Services Steering Committee (Phase 1) in their business and operational planning in 2001–02.

The approach ensures that health plans address both local and provincial needs and that they are based on relevant evidence and criteria of quality, access, and sustainability. Phase 2 of the planning process, focusing on the continuing care sector, was launched.

Nova Scotia's 37 Community Health Boards are responsible for developing community health plans that contribute to the annual business plans of their DHAs. CHB activities are integral to the implementation of a community-based health system with primary health care as its foundation.

During 2001–02, the health boards worked together with District Health Authorities and the Department of Health to further define their roles and specific responsibilities under the Health Authorities Act. The Community Health Boards and District Health Authorities continue to do more joint planning, including discussions of resource requirements and development of common by-laws to govern CHB activities.

INITIATIVE

Further develop single-entry access to match people who need ongoing health care services with the best facilities and programs. This includes continuing care and home care.
(Health, Community Services)
(Goal 2, Major Initiative #4)

To improve seniors' access to continuing care services in Nova Scotia, the Department of Health implemented pilot projects of single-entry access (SEA) in two districts and completed province-wide expansion of the service.

SEA provides a comprehensive assessment service and identifies the most appropriate service option from an array that includes home care, long-term care, other residential care options, and adult protection services.

As of March 2002, one toll-free phone number (1-800-225-7225) connected seniors and families across Nova Scotia to home care services, placement into

nursing homes, and adult protection workers. The toll-free number is convenient for people who need ongoing care and provides one contact point to the continuing care system.

Government also completed a test of a new software package to help Nova Scotia's nursing homes assess residents' needs and define the best care plan. The package helps government collect the information needed to define the resource requirements.

INITIATIVE

Government will develop strategies to improve access to mental health services for children and youth. We will put more emphasis on youth at risk and the rehabilitation of young offenders. (Community Services, Health, Education, Justice, Sport and Recreation) (Goal 2, Major Initiative #6)

The Government of Nova Scotia continued its progress on the development of a continuum of mental health services for children and youth in response to the recommendation of the report *Mental Health, A Time for Action (2000)*. This fiscal year was the second in a project to design the mental health system to better serve children and youth. A vision statement of the full continuum was completed in 2001–02. Task teams were established to develop implementation plans for Intensive Community-based Treatment Teams and a Mental Health Residential/Rehabilitation Treatment program. A single-entry process for accessing mental health services is used in each of the DHAs.

The Department of Health initiated a Provincial Mental Health Steering Committee. DHAs, mental-health consumers, service providers, and other stakeholders are helping to develop core programs and standards for children, youth, and adults; resource allocation; consumer involvement in service planning; and stigma/public awareness.

The departments of Health and Justice have worked to develop single-entry access for court-ordered assessments for youth. They have also developed a mental-health treatment team, located in the Nova Scotia Youth Centre, that will deliver clinical programs to incarcerated youth and be able to respond to the Intensive Rehabilitative Custody and Supervision provision in the new federal Youth Criminal Justice Act as well as to develop policies and practices in support of the Youth Criminal Justice Act.

During the year, Correctional Services staff were trained on a new young offender risk/need assessment tool that will enable them to respond more effectively to young offenders under their supervision. Centre 24-7, a community-based education program, provides rehabilitative services

for youth at the Nova Scotia Youth Centre.

In 2001–02, the Children and Youth Action Committee (CAYAC) led a process to promote interagency co-operation in the delivery of programs and services needed to comply with the federal Youth Criminal Justice Act, which will be proclaimed April 1, 2003.

CAYAC completed a preliminary review of services for youth-at-risk aged 16–19 years and developed recommendations for improving government's response to their needs. The report includes the results of a cross-Canada survey of programs and services; a literature review of best practices; consultations with CAYAC departments and other stakeholders; and policy options for an improved response.

In response to the needs of adults, government opened the $60-million Central Nova Scotia Correctional Facility and East Coast Forensic Psychiatric Hospital in 2001–02. These first-class facilities, the first of their kind in Canada, treat people with serious psychiatric disorders and conduct research and teaching on related issues.

Nova Scotia's transition from institutional care to community-based care for adults with mental and physical disabilities continued in 2001–02 as the planned closure of the Halifax County Regional Rehabilitation Centre entered the final stages of the five-year process.

Approximately 216 residents have been successfully moved to community-based residential settings. Many long-term residents have been able to return to their home communities where they are closer to their families and friends. It has also resulted in the further development and enhancement of residential services for adults with disabilities in many areas of the province to address the increased demand for services.

INITIATIVE

Implement an aggressive Tobacco Strategy to discourage smoking, in particular among our young people. This strategy includes increased taxes on tobacco products as well as enforcement, smoking cessation, and warning programs. (Finance, Health, Education, Justice, Service Nova Scotia and Municipal Relations) (Goal 2, Major Initiative #7)

Following broad stakeholder consultation and research and best-practice review, a comprehensive Tobacco Strategy was released in fall 2001. The strategy includes seven key components aimed at reducing tobacco use by Nova Scotians: tax increases, legislation aimed at creating smoke-free public places, community-based programs for tobacco control, treatment and smoking cessation

programs, youth smoking prevention, media awareness, and monitoring/evaluation.

Tobacco taxes were increased on November 2, 2001 and April 5, 2002.

A number of legislative amendments were introduced to strengthen enforcement capabilities regarding illegal use and sale of tobacco products. This included designating compliance officers as peace officers and broadening the search warrant provisions on tobacco products.

A new fine structure was adopted as a deterrent against any illicit tobacco schemes; the new fines are graduated and reflect the quantity of tobacco involved and whether it is a first or subsequent offence.

INITIATIVE

Implement a provincial Physical Activity Strategy for Children and Youth that will support communities and organizations in their efforts to encourage Nova Scotians to increase their activity levels. Work will continue toward the goal of 1200 kilometres for Nova Scotia's section of the Trans Canada Trail. (Sport and Recreation) (Goal 2, Major Initiative #8)

Sport and recreation are known as important contributors to health and well-being. At the same time, physical inactivity is linked to rising occurrences of preventable diseases, such as type 2 diabetes, coronary heart disease, and some forms of cancer. National research indicates that Nova Scotians are among the least active in Canada.

In 2001–02 the Government of Nova Scotia continued working towards the overall goal of getting more Nova Scotians more physically active more often—in particular, our children and youth.

The Sport and Recreation Commission collaborated with departments and non-government agencies to develop a Physical Activity Strategy for Nova Scotia Children and Youth. This is a three-year blueprint for achieving a culture in which physically active lifestyles will be the norm for young Nova Scotians by 2010. Many of the recommended strategies for increasing participation in physical activities will focus around home, school, and community.

A research project was launched in 2001–02 to establish accurate research data on the physical activity levels of our children, using an objective measuring device, the accelerometer, for the first time to measure physical activity levels and project to a population. The results, scheduled to be ready in fall 2002, will also provide benchmark data for future monitoring of physical activity levels.

The Government of Nova Scotia, through a number of departments, continues to support new and to improve existing recreational facilities and opportunities for Nova Scotians. An example is the support, through the Department of Natural Resources, for the development of trails. By end of the fiscal year, 245 trails were listed on the public Nova Scotia trails database at <www.trails.gov.ns.ca/>.

The Trans Canada Trail is being completed in stages. By the end of the fiscal year, community interest groups were either in place or being formed to develop 85 per cent of the trail.

Volunteer organizations and municipalities have long been recognized as the foundation of the sport and recreation system. For this reason, the Government of Nova Scotia continued to support volunteer efforts in communities throughout the province by maintaining direct contact with more than 400 organizations and indirect contact with roughly 1,200 organizations. In addition, the government provided resources and supports for sport initiatives through Sport Nova Scotia and the Sport and Recreation Commission.

INITIATIVE

Enhance information technology systems at the Department of Health to promote evidence-based decision making. (Health) (Goal 3, Major Initiative #5)

The Government of Nova Scotia made considerable progress in 2001–02 in implementing one of the most significant hospital information systems in Canada.

The provincial Hospital Information Systems project progressed well during 2001–02. The project will mean that patients won't have to repeat the same medical history, over and over, and doctors, nurses, and administrators will have fast and secure access to vital health information. This will improve patient care and help monitor, adjust, and plan health services.

A contract was awarded in 2001–02 to link 34 Nova Scotia hospitals. Training and system implementation in the first group of hospitals was scheduled for 2002–03.

With funding from Health Canada, Nova Scotia continues to support Health Infostructure Atlantic plans to improve information systems for continuing care services and other expanded tele-radiology functions. Implementation of these projects is expected in 2002–03.

The Nova Scotia Tele-health Network (NSTN) continued its telecommunications support to both patient care and specialty consultation and health-care-provider education and conferencing. NSTN's day-to-day operations moved from the private sector to the Department of Health in 2001–02. The network is capable of connecting to other patient information systems and to tele-health systems in other provinces and countries.

Measuring Our Performance

The following measures track some of the important factors that influence our health and the health-care system. More information is available in a report published by the Department of Health as part of a federal/provincial/territorial agreement health report on performance. *Reporting to Nova Scotians on Comparable Health and Health System Indicators,* September 2002, is available on the department's website at <www.gov.ns.ca/health/pirc/Default.htm>.

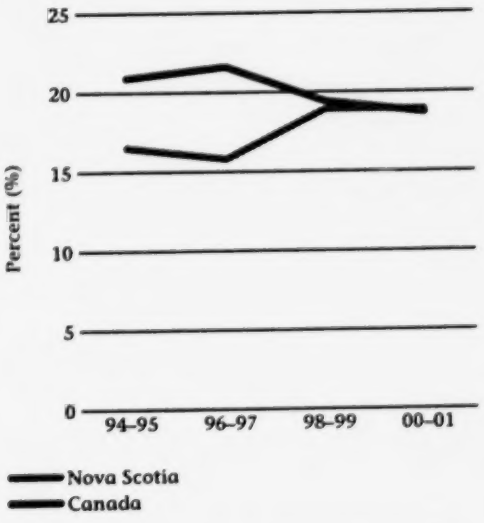
SMOKING AMONG YOUTH

Outcome: Improved health

Healthy lifestyles are key to healthy populations. Smoking is the number one cause of preventable death and disability,

Percentage of Youth (12–19) Who Smoke

Nova Scotia vs Canada, 1994–95 to 2000–01



Due to high coefficients of variability, use Nova Scotia data for 1994–95 through 1998–99 with caution.

Source: National Population Health Survey and Canadian Community Health Survey, Statistics Canada.

and high rates of smoking translate into high rates of chronic diseases such as lung cancer and heart and respiratory disease. Reducing youth smoking is key to the prevention of smoking-related illness and to the promotion of healthy populations.

What does the measure tell us?

This measure describes the percentage of youth (aged 12–19 years) in Nova Scotia and Canada who smoke. Habits adopted during the teen years tend to be maintained well into adult life. Therefore, this measure tells us about smoking

among young people as well as about the number of adults who may be smokers in the future. Preventing or limiting smoking among young people has important long-term benefits, such as reduced smoking among adults and the prevention of serious illness.

Where are we now?

Rates of smoking among youth (and adults) are higher than they should be. In 2001, 18.9 per cent of Nova Scotia's youth (aged 12–19 years) smoked, compared to 16.5 per cent in 1994–95. Youth smoking in Nova Scotia has increased, while the number of youth smoking in Canada as a whole has decreased. In Canada, the smoking rate among youth declined to 18.7 per cent from 20.9 per cent.

To counter and prevent smoking by adults and youth, the Department of Health launched a Comprehensive Tobacco Strategy in 2001, addressing seven key components: taxation, smoke-free places legislation, treatment/cessation, community-based programs, youth prevention, media awareness, and monitoring and evaluation.

It should be noted that youth smoking rates vary with the data source used, primarily because of the age range and methodology applied. These data are from a database agreed to by the federal, provincial, and territorial Ministers of Health.

Where do we want to be?

Our aim is to decrease the percentage of youth who smoke. Strategies to achieve this target include continued implementation of all components of the Comprehensive Tobacco Strategy.

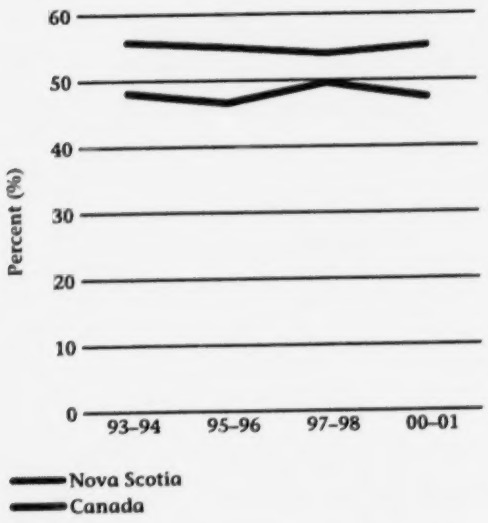
BODY MASS INDEX ABOVE THE HEALTHY RANGE

Outcome: Improved health

A healthy body weight (for height) is associated with a reduced risk of health problems. Excessive weight and obesity are associated with increased risk of health problems and conditions such as high blood pressure, diabetes, gall bladder disease, and complications during pregnancy. Body weight is influenced by genetics, gender, age, and lifestyle factors such as poor eating habits and inadequate physical activity. Canada's Guidelines for Healthy Eating (1992) recommend that Canadians "achieve and maintain a healthy body weight by enjoying regular physical activity and healthy eating." Nova Scotians need to be supported through education and skills, policy, and enhanced community capacity to adopt and maintain healthy body weights, healthy eating, and physical activity behaviours.

Body Mass Index in Excess of Health Range (25+)

Nova Scotia vs Canada, 1993–94 to 2000–01



Source: National Population Health Survey and Canadian Community Health Survey, Statistics Canada.

What does the measure tell us?

The Body Mass Index (BMI) is a valid measurement of weight in relation to height for healthy adults aged 20–65 years. This is a common method for calculating whether an individual's weight is in a healthy range. BMI is not recommended for use as the sole measurement of either body composition or level of physical fitness. According to current international guidelines, a BMI between 20 and 25 is considered within a healthy range.

Where are we now?

Since 1993, the percentage of Nova Scotians who have a BMI above 25 is greater than the Canadian population in general. In 2000–01, 55.2 per cent of Nova Scotians reported a BMI above 25, as compared with 47.4 per cent of the Canadian population.

The data in this report differ from those described in the 2002–03 business plan because the data sources are different. That is, the 2002–03 business plan used the Canadian standard for reporting BMI whereas data in this report use the international standard to promote consistency with national reporting standards.

Where do we want to be?

By 2004–05, with partners at multiple levels and sectors, the Nova Scotia government aims to decrease to 52 per cent the number of Nova Scotians whose body weight increases their risk for health problems. The Department of Health will collaborate with the Nova Scotia Alliance for Healthy Eating and other public health services to promote healthy eating and physical activity.

PHYSICAL INACTIVITY

Outcome: Improved health

Physical inactivity is an important indicator of unhealthy behaviour. Inactivity is a major risk factor for heart disease and depression, while regular physical activity provides important health benefits.

What does the measure tell us?

Physical inactivity is measured by calculating the proportion of the population aged 12 years and older who report being physically active less than once per week or never. The province's goal is to increase physical activity among Nova Scotians.

Where are we now?

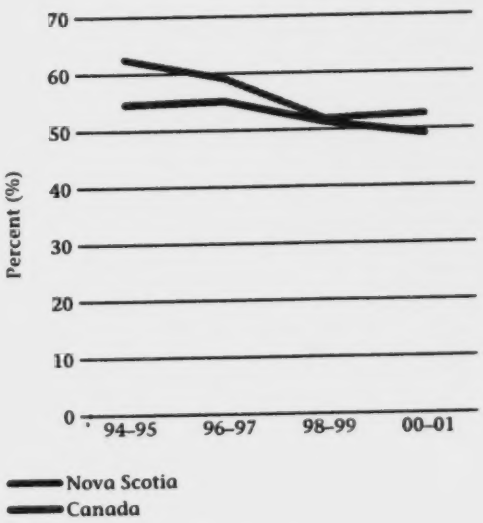
In 2000–01, 52.6 per cent of Nova Scotians reported being physically active less than once per week or never, as compared with 49.1 per cent of Canadians.

Where do we want to be?

Regular physical activity is associated with many benefits, including improved cardiovascular and mental health. The province's goal is to increase physical activity through joint initiatives such as the Provincial Physical Activity Strategy for Children and Youth (PACY) and the Chronic Disease-Prevention Strategy.

Percentage Reporting Little or No Physical Activity

Nova Scotia vs Canada, 1994–95 to 2000–01



Source: National Population Health Survey and Canadian Community Health Survey: Statistics Canada.

VACCINATION COVERAGE (FLU SHOT)

Outcome: Improved health

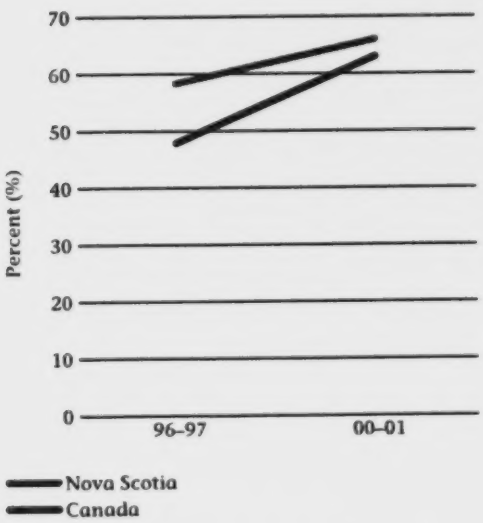
Vaccination coverage is important in promoting and maintaining public health and preventing the spread of infectious disease.

What does the measure tell us?

Vaccination coverage is measured by calculating the percentage of people (aged 65 years and older) who reported having a flu shot in the past year. By increasing the number of people who receive flu shots,

Seniors (65+) Immunized for Flu in the Past Year

Nova Scotia vs Canada, 1996–97 to 2000–01



Source: National Population Health Survey and Canadian Community Health Survey, Statistics Canada

we can decrease the burden of illness on vulnerable populations—such as the elderly—and reduce the strain on the health system at the same time.

Where are we now?

During 2000–01, 66 per cent of the Nova Scotia population over 65 years of age reported having had a flu shot in the past year, as compared with 63 per cent of all Canadians 65 or older. This shows an improvement since 1996–97, when 58.3 per cent of Nova Scotians and 47.9 per cent of Canadians reported having received flu shots. Overall, Nova Scotia compares very favourably with other provinces. Decreases in the hospitalization of people with influenza and pneumonia may reflect the success of the immunization program and aggressive public awareness campaigns. The data in this report (66 per cent) differ from those described in the 2002–03 business plan (62.0 per cent) because the data sources are different: the 2002–03 business plan used data from the Nova Scotia Department of Health (Public Health/Medical Office of Health), whereas data in this report come from the National Population Health Survey and Canadian Community Health Survey. This change reflects the standards adopted for federal/provincial/territorial reporting.

Where do we want to be?

Immunization against the flu is an important public health intervention. By 2004–05, the province aims to increase to 80 per cent the percentage of the population aged 65 years and older who receive influenza vaccinations.

HEALTH HUMAN-RESOURCE POSITIONS FILLED

Outcome: Access to quality health care

One way to enhance access to quality health care is to ensure the appropriate number and distribution of health-care providers.

What does the measure tell us?

One measure of the supply and distribution of health personnel is the percentage of primary health human-resource positions filled in under-served areas, defined as those with a history of recruitment and retention difficulties, where recruiting by local committees has been unsuccessful for more than six months, and where the medical needs of the community are not being otherwise served. Those areas that are designated as "under-served" have incentive programs to support physician recruitment. The total number of under-served areas can change over time. In February 2002, 21 areas were defined as being under-served, requiring 34 family physicians.

Where are we now?

In February 2002, all but five physician positions were filled in under-served areas (85 per cent). The total number of physicians in under-served areas changes rapidly because of natural fluctuations (deaths, retirements, and the voluntary relocation of providers within the province) and successful recruitment. Ongoing recruitment efforts are required to maintain or exceed the provincial target (80 per cent). More jurisdictions in Canada are engaging advanced-practice nurses and non-physician providers throughout the health-care system to enhance access to quality health care. Nova Scotia has initiated a pilot project on Long and Brier islands in which paramedics and a nurse practitioner work in close collaboration with a physician to provide primary care services. In addition, the Department of Health is engaged in health human-resource planning to address the supply and distribution of health professionals and other workers across the province.

Where do we want to be?

Nova Scotia's target is to have 80 per cent or more health human-resource positions filled in under-served areas of Nova Scotia. The Department of Health has continued to support physician recruitment initiatives throughout the province through website listings of vacancies, a recruitment guide, advertising, and incentives.

AMBULANCE RESPONSE TIMES

Outcome: Access to quality health care

One of the ways in which access to quality emergency health services may be assessed is by calculating response times from ambulance dispatch to arrival at the emergency scene.

What does the measure tell us?

The industry standard for response time from ambulance dispatch to arrival at the emergency scene is nine minutes or less. This standard is based on chances of

survival after a cardiac arrest. That is, a person's chances of surviving a cardiac arrest improve if an ambulance arrives at an emergency scene in nine minutes or less.

Where are we now?

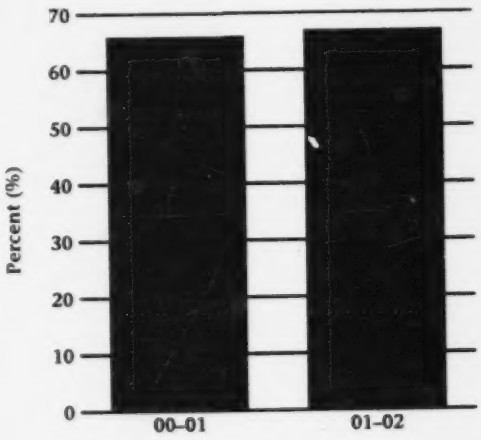
In 2001–02, response times from ambulance dispatch to arrival at the emergency scene was nine minutes or less 67 per cent of the time. This shows an increase over 2000–01 when response times of nine minutes or less occurred 66 per cent of the time, and it exceeds the target that was established in setting up the ambulance service.

Where do we want to be?

The Government of Nova Scotia has defined a target of 68 per cent (by 2004–05) for response times of nine minutes or less from ambulance dispatch to arrival at the emergency scene.

Percentage of Ambulance Response Times Within 9 Minutes

Nova Scotia, 2000–01 to 2001–02



Source: Emergency Health Services, Nova Scotia Department of Health.

Education and Learning

The Government of Nova Scotia continued in 2001–02 to develop and promote a continuum of learning opportunities for Nova Scotians from the youngest student in public school to the adult learner who needs literacy training and employment upgrading.

Activities focused on the following goals:

- to put crucial services—health, education, and social services—on a sustainable foundation
- to provide Nova Scotians with opportunities to learn throughout their lives so they can continue to succeed in a rapidly changing world

Initiatives to improve the performance of public school students included *Active Young Readers/Jeunes Lecteurs Actifs, Writers in Action/Écrivains à l'oeuvre, Reading Recovery™*, the Time to Learn strategy, and teacher resources and professional development.

Several thousand Nova Scotians participated in programs supported through the Nova Scotia School for Adult Learning in its first year, and the number is expected to increase in future years.

The Department of Education also took the lead for government's Skills Agenda, which will ensure coordination of programs and services for the broader education and training of Nova Scotians.

Major Initiatives 2001–02

INITIATIVE

Enrol the first students into the Nova Scotia School for Adult Learning, where they will work toward the new Nova Scotia High School Diploma for Adults. (Education) (Goal 5, Major Initiative #1)

In September 2001, following an implementation phase, the Nova Scotia School for Adult Learning was officially launched, as was the new education credential, the Nova Scotia High School Graduation Diploma for Adults.

The Department of Education established funding arrangements and extensive partnerships with colleges, school boards, and community-based organizations to deliver adult-education programs for adults, ranging from basic literacy to high school completion.

Approximately 3,000 Nova Scotians participated in programs supported through the School for Adult Learning. The first graduates of the High School Graduation Diploma for Adults were expected in June 2002.

INITIATIVE

Develop a Skills Nova Scotia Strategy to identify skills shortages and a plan for action. (Education, Economic Development, Petroleum Directorate, Community Services (Goal 5, Major Initiative #2)

In February 2001, an interdepartmental committee—with representation from Education, Community Services, Economic Development, Health, Petroleum Directorate, and Environment and Labour—was created to determine government's current labour-market development activities; identify linkages between government, industry, labour, and education; and recommend an approach to labour-market development.

In December 2001, the labour-market issues identified in the Skills Task Force Report were confirmed, and direction was provided to the government's approach to skills development. The lead for skills was given to the Department of Education.

Work will proceed in 2002–03, with input from stakeholders, on a Skills Nova Scotia Framework and Action Plan, which was scheduled for release in fall 2002.

A new Labour Market Development Agreement (LMDA) is fundamental to the province's goals of developing a skilled, adaptable work force and a healthy, vibrant economy. In 2001–02, the Government of Nova Scotia notified the Government of Canada of its desire to renegotiate its LMDA to better meet the needs of Nova Scotians.

Priorities advanced under the existing agreement in 2001–02 included literacy, information technology, early years, and youth. Expenditures on these priorities totalled approximately $13.5 million. Negotiation of a new LMDA will continue into 2002–03.

INITIATIVE

Introduce the next generation of high-speed Internet connections to our schools, libraries, community colleges, and communities through the Information Economy Initiative. (Education, Technology and Science Secretariat, Economic Development) (Goal 5, Major Initiative #3)

Through the federal-provincial Information Economy Initiative (IEI), high-speed Internet connections were installed in every school, library, and community college campus in Nova Scotia as part of an upgrade of the provincial EDnet educational network. Upgrades to over 600

sites were completed by September 2001. IEI provided 6,200 computers to secondary schools and IEI-Extension provided 1,200 computers in 2001–02 to grades 4–6.

As a direct result of this effort, high-speed Internet access was extended to 14 rural Nova Scotia communities that otherwise would not have been connected. Nova Scotia is a national leader in educational network connectivity and availability of high- speed Internet access in schools.

More than 3,300 desktop computers, laptops, monitors, keyboards, and printers were donated to Nova Scotia schools in 2001–02 through the province's Computers for Schools Program.

INITIATIVE

Augment existing literacy initiatives by expanding the Active Young Readers Program to grades 4–6 while continuing leadership and support for Active Young Readers in grades primary to 3. (Education) (Goal 5, Major Initiative #4)

The Department of Education provided more resources for grades primary–3 and conducted professional development workshops across the province for board leadership teams to support the implementation of *Active Young Readers/Jeunes Lecteurs Actifs* in grades primary–3. Over $2 million was spent on the program in grades primary–6, including $1 million for grades 4–6.

Two additional Reading Recovery™ Teacher Leaders were trained through a cost-sharing agreement with two regional school boards. The department completed the redevelopment of the Observation Survey of Early Literacy Achievement in the French language, and Reading Recovery™ teacher-training was piloted in all 17 CSAP schools.

The Active Young Readers/Jeunes Lecteurs Actifs initiative was expanded to grades 4–6, and training was provided for board leadership teams of more than 100 teachers. Every teacher of grades 4–6 received four instructional books on techniques to improve student literacy, and each classroom received packages of more than 130 books for students.

INITIATIVE

Diversify Nova Scotia Agricultural College offerings to respond to opportunities in emerging fields such as life sciences, environmental engineering, organic farming, and aquaculture. (Agriculture and Fisheries) (Goal 5, Major Initiative #5)

The NSAC worked in 2001–02 to diversify its programs and courses to respond to changing student and market demand. NSAC is pursuing plans to offer additional engineering courses and new degree programs.

In response to the increasing popularity of organic food products, the college is developing expertise in organic farming through the Organic Agriculture Centre of Canada, supported by the Government of Canada. The centre will deliver courses in organic agriculture over the Internet.

NSAC also has federally sponsored research chairs on climate change and poultry products. The Climate Change Research professor teaches at the graduate level and through the Centre of Continuing and Distance Education; the Poultry Products Research professor teaches in the technical, undergraduate, and graduate programs.

The college and the Department of Agriculture and Fisheries are also active in the field of environmental research, especially related to air and water quality and agriculture.

INITIATIVE

Increase funding to the Nova Scotia Community College to add new seats and improve access to programs that will allow young Nova Scotians to train for the jobs of the future. (Education) (Goal 5, Major Initiative #6)

In 2001–02, the government increased the base budget of the Nova Scotia Community College by $5.3 million, to $61.6 million (after recoveries), to support growth of the college in strategic training sectors.

Some $2 million was used to increase NSCC's enrolment by about 200 seats, from 7,427 to 7,619, to respond to strong student demand for certain programs, particularly, those most likely to lead to employment.

The government also worked with the NSCC in 2001–02 to explore options for the long-term growth of the college, including the best place to locate new seats and the infrastructure needed to support new or expanded programs. This work is ongoing.

INITIATIVE

Through participation in the Canadian Foundation for Innovation, enhance the ability of universities and colleges to remain competitive in research, innovation, and learning. (Education) (Goal 5, Major Initiative #7)

A $15-million Research and Innovation Trust Fund was established to provide a minimum of $12 million in matching funds for infrastructure needed to support research of national and international standards and a maximum of $3 million for Genome Atlantic and the Life Sciences Development Association.

In 2001–02, the terms of reference for the fund were defined and a Board of Directors was formed. The board consists of the presidents of the universities, the

Nova Scotia Community College, and the Collège de l'Acadie and three government observers.

The fund was intended to match federal funding under the Canadian Foundation for Innovation (CFI) awards to the universities and colleges. Funding criteria require applications to be submitted first to the Atlantic Investment Fund to avoid duplication in funding. As applications received in 2001–02 could not be processed until AIF funding decisions were made, no funds were disbursed in that fiscal year. However, the funds will carry over into 2002–03.

Government of Nova Scotia—School Construction Schedule

School	Construction Start	Completion
Argyle	August 2000	September 2001
Sainte-Anne-du-Ruisseau	August 2000	September 2001
Pomquet	August 2000	September 2001
Whycocomagh	August 2000	September 2001
Elmsdale	August 2000	September 2001
Chedabucto	October 2000	December 2001
Clare	March 2001	March 2002
St. Anthony Daniel Elementary	August 2001	September 2002
South Colchester High	April 2002	June 2003
Halifax North Mainland	July 2001	December 2002
East Pictou High	July 2002	September 2003
West Pictou High	July 2002	September 2003
Windsor High	July 2002	December 2003
Rankin Memorial	September 2003	April 2005
Sydney Elementary	November 2002	December 2003
Amherst Elementary	September 2003	April 2005
Cumberland Elementary	September 2003	April 2005
Truro Junior High	November 2002	January 2004
Shelburne Regional High	April 2003	September 2004

INITIATIVE

Proceed with building 11 new schools by 2002, and complete renovations to existing school buildings to resolve environmental problems. In addition, we will set priorities for future projects by completing a review of school renovation and maintenance projects. (Transportation and Public Works, Education) (Goal 2, Major Initiative #11)

Seven of the 11 schools were completed during 2001–02: Argyle, Sainte-Anne-du-Ruisseau, Pomquet, Whycocomagh, Chedabucto Education Centre, Elmsdale Elementary, and Clare High School.

Planning and construction started on the remaining four: Clare High School, St. Anthony Daniel Elementary School, South Colchester High School, Halifax North Mainland School, and East Pictou High. In addition, planning and design work were undertaken for an additional eight remaining schools on the list.

The School Capital Construction Committee continued its review of school renovation and maintenance projects.

Additions and alterations were carried out in 92 schools. Work is ongoing with the Coordinator of Environmental Health and Safety with reviews of 35 to 40 schools completed last year and studies conducted where necessary.

Renovations to Graham Creighton Junior High School were completed and the school occupied in January 2002.

Measuring Our Performance

The following measures provide a snapshot of key areas of the educational system.

SCHOOL ACHIEVEMENT INDICATOR PROGRAM

Outcome: Better educated Nova Scotians

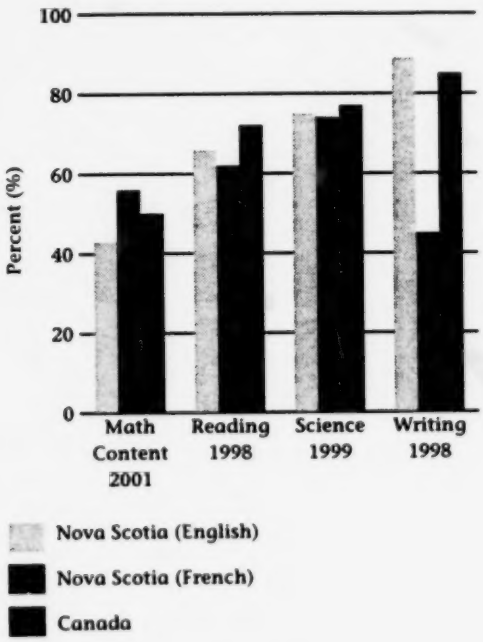
What does the measure tell us?

The School Achievement Indicators Program (SAIP) assesses 13- and 16-year-old students in reading and writing. The data reported below are based on the results of 16-year-old students only. These students have had the longest exposure to the Public School Program in mathematics, reading, science, and writing.

SAIP, a national assessment, has five levels of performance. Each level has a description of student performance. The national standard for the performance of 16-year-old students is set at level 3. This measure presents the percentage of Nova Scotia students achieving level 3 or higher.

Nova Scotia SAIP Results

Percentage of 16-Year-Olds at Level 3 or Higher



Source: Nova Scotia Department of Education

Where are we now?

In 2001, our 16-year-old English students' math content results were below the national average, while the French student results were above the national average. In 1998, the Nova Scotia results for reading were below the national average. The 1998 results of Nova Scotia English students in SAIP writing were above the national average, while the results for French students were below the national average. For science, the results in 1999 for Nova Scotia and Canada were fairly close.

Where do we want to be?

Our target is for the results of the reading assessment to increase the number of 16-year-old students performing at level 3 or higher to 72 per cent by the 2005 assessment. The 2002 assessment results for writing are targeted to be higher than those in 1998. The target for the mathematics results for English students is 50 per cent in the 2006 assessment, and the results for French students are targeted to increase. The results of the 2004 science assessment are targeted to be higher than the results of the 1999 assessment. Several activities undertaken in 2001–02 are expected to help students achieve higher scores. These include *Active Young Readers/Jeunes Lecteurs Actifs, Writers in Action/Écrivains à l'oeuvre, Reading Recovery™*, the Time to Learn strategy, and teacher resources and professional development.

HIGH SCHOOL GRADUATION RATE

Outcome: Better educated Nova Scotians

What does the measure tell us?

The graduation rate is the percentage of students receiving a high school graduation diploma compared with the number of students who were in grade 9 three years earlier.

Education is a key variable in improved employment prospects and higher earnings. The successful pursuit of further education depends upon high school graduation. This is the foundation upon which an individual's future success is built.

Where are we now?

The 1999–2000 graduation rate was higher than that reported in 1995–96, 79.1 per cent versus 74.9 per cent.

Where do we want to be?

Our target is to have this percentage continue to increase. Senior high students can choose course options that are consistent with their planned destination, be it university, community college, trades, or the job market. It is expected that having opportunities to prepare for the various destinations will keep students motivated to graduate from high school.

NOVA SCOTIANS WITH POST-SECONDARY EDUCATION

Outcome: Better educated Nova Scotians

What does the measure tell us?

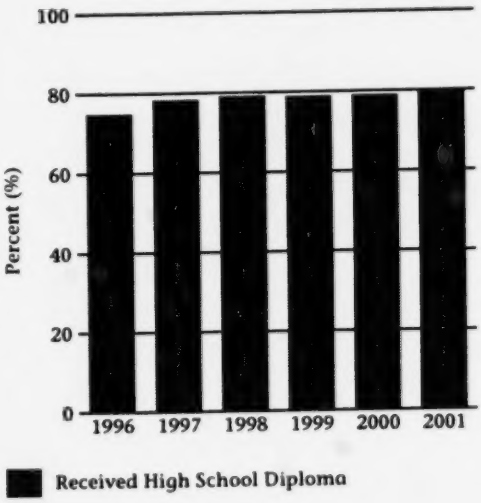
This measure shows the percentage of Nova Scotians aged 25–54 that have a post-secondary certificate, diploma, or degree.

Education is a key variable in improved employment prospects and higher earnings. The attainment of post-secondary education prepares Nova Scotians for the labour market. Research conducted by the federal government suggests that 70 per cent of new jobs will require some form of post-secondary education.

Where are we now?

In 2001, 59.9 per cent of Nova Scotians aged 25–54 had a post-secondary certificate, diploma, or degree. Nova Scotia out-performed all other provinces. The percentage of Nova Scotians aged 25–54 with post-secondary education has been consistently higher than that for Canada and has increased steadily over time.

Grade 12 Graduation Rate



Source: Nova Scotia Department of Education

Where do we want to be?

Our target is to have this percentage continue to increase. Several initiatives are being undertaken to help with access to post-secondary education. These include research on the future size and capacity, quality, and accountability of post-secondary education; the skills agenda; ensuring that education and training opportunities at the Nova Scotia Community College are linked to economic opportunities in the province; and changes to the student loan program.

PARTICIPATION IN THE NOVA SCOTIA SCHOOL FOR ADULT LEARNING

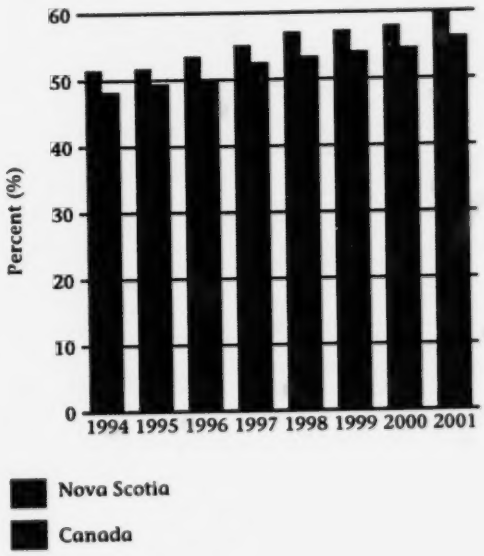
Outcome: Better educated Nova Scotians

What does the measure tell us?

This measure provides data on the number of Nova Scotians participating in literacy and upgrading programs through the Nova Scotia School for Adult Learning. The Nova Scotia School of Adult Learning supports the delivery of adult education programs that allow Nova Scotians to improve their literacy skills and earn credits toward the Nova Scotia High School Graduation Diploma for Adults.

Nova Scotians need opportunities to continue to learn throughout their lives. As the labour market changes, Nova Scotians need to develop new skills, improve their literacy, and upgrade existing skills. It is not enough just to provide access to programs, we need to ensure that Nova Scotians participate in these programs. This measure is an indication of participation of adults in life long learning.

Percentage of Nova Scotians and Canadians (25-54) with Post-Secondary Education



Source: Statistics Canada, Labour Force Historical Review

Where are we now?

From September 1, 2001, to August 31, 2002, about 3,700 Nova Scotians participated in programs supported through the Nova Scotia School for Adult Learning.

Where do we want to be?

As 2001–02 was the first year of operation for the Nova Scotia School of Adult Learning, it is expected that the number of Nova Scotians participating in these programs will increase over time.

P–12 COMPUTER RATIO

Outcome: A technology-enhanced learning environment

What does the measure tell us?

There are two measures that can be included for this item. The first reports the ratio of total students to total computers. The second reports the ratio of total students to current computers, where current computers are defined as those computers with 200 MHZ or better. Note that the availability of current computers will enable students to effectively use current software.

The Information Economy Initiative (IEI)—a federal/provincial project that leverages investment for Internet connections, hardware, software, technical support, and professional development for schools, universities, and communities across Nova Scotia—has provided hundreds of computers to schools throughout Nova Scotia. Computers are also provided to schools through the Technology Recycling Program, a private-public partnership that refurbishes used computer equipment for distribution to schools throughout Nova Scotia. These computers support student learning and achievement in the Nova Scotia Public School Program and help prepare students to function and compete in today's labour market where technology and communications are so important.

Where are we now?

As of March 31, 2002, there were 6.2 students for every computer, and 9.3 students for every computer with 200 MHZ or better.

Where do we want to be?

Our target for 2005–06 is a ratio of 5 to 1, in terms of total students to total computers. Both the IEI and the Technology Recycling Program will help provide computers to our schools.

P-12 Computer Ratio

March 31, 2002	
Ratio of Total Students to Total Computers	6.2
Ratio of Total Students to Current Computers (200MHz or better)	9.3

Source: Nova Scotia Department of Education

The Economy

The Government of Nova Scotia continued with many programs and initiatives to promote a strong economy in 2001–02.

Setting a policy and legislative framework for economic development—as well as for specific sectors such as energy, tourism, and forestry—helps business and industry take best advantage of available opportunities.

Government worked in 2001–02 to implement Nova Scotia's economic growth strategy, *Opportunities for Prosperity*, which focuses on creating the right conditions to help the economy grow, such as making public investments in infrastructure that will attract new private investment.

Government made strides in its fiscal and economic position by continuing to reduce the deficit, leading to a balanced budget in 2002–03, while remaining competitive with other provinces, particularly in Atlantic Canada.

For this core business area, government pursued the following goals in 2001–02:

- to put—and keep—Nova Scotia's finances in order
- to create conditions that help the economy grow

Major Initiatives 2001–02

INITIATIVE

The Four-Year Fiscal Plan is the cornerstone of our strategy to get Nova Scotia back on firm financial footing. We are on track to end deficit financing, to balance the books, and cut income taxes in year 4. (Finance)
(Goal 1, Major Initiative #1)

The Province of Nova Scotia is continuing on its course toward fiscal sustainability. In 2001–02 the government issued a four-year fiscal forecast that projected the deficit would be eliminated in fiscal 2002–03, with balanced budgets thereafter.

The government continued to carry out its fiscal plan in 2001–02 through prudent and responsible financial management.

Nova Scotia's economy largely escaped the global economic slowdown that followed the September 11, 2001, terrorist attacks in the United States. Although economic forecasters throughout North America lowered revenue projections, Nova Scotia's economic growth forecast for 2002 was revised upwards to 3.1 per cent.

The government finished the 2001–02 year with a $54.2-million deficit, which is $36.5 million better than estimated in the budget for that year. This is the third year in which the government has achieved a better-than-expected result.

Total ordinary revenues were $5.24 billion for 2001–02, which is $83.1 million higher than the original budget. Net program expenses—the government's share of the programs and services provided to Nova Scotians—increased by $98.8 million, or 2.26 per cent over the original budget of $4.373 billion. Net debt-servicing costs were $949.2 million, an increase of $18.1 million from the restated budget. An increase in the interest expense related to pension obligations was the cause of $16.1 million of the changes.

Government continued its plan to reduce the province's foreign currency exposure, which dropped from 28.9 per cent in 2001–02 from the previous year's 30.8 per cent. The ratio of debt to gross domestic product dropped from 45.1 to 44.1 per cent.

Complete details on the government's financial results in 2001–02 appear in the Public Accounts for 2001–02, which are available on the Department of Finance website, at <www.gov.ns.ca/finance>.

INITIATIVE

The provincial budget will continue to be fully consolidated—using generally accepted accounting principles. (Finance, all government) (Goal 1, Major Initiative #2)

In 2001–02, financial statements were fully consolidated using generally accepted accounting principles (GAAP) for governments, as defined by the Public Sector Accounting Board. The Auditor General provided government with an unqualified audit opinion for the second time in 2001–02.

INITIATIVE

Continue the Campaign for Fairness, whereby the Government of Nova Scotia will vigorously pursue our fair share of offshore energy revenues. (Intergovernmental Affairs) (Goal 1, Major Initiative #3)

During 2001–02, the Government of Nova Scotia made significant progress in generating support in Nova Scotia and across Canada for the campaign's goal: to have the federal government fulfil its commitment under the Canada–Nova

Scotia Offshore Accord to ensure that Nova Scotia is the principal beneficiary of our offshore resources.

An all-party resolution in the House of Assembly supported the cause, and a Herald/Corporate Research Associates poll in August 2001 indicated that 80 per cent of Nova Scotians supported it. The approach was endorsed by the business community, along with Alberta Premier Ralph Klein and former Premier Peter Lougheed. The Government of Newfoundland and Labrador also agreed to collaborate with Nova Scotia.

Work focused on encouraging the Government of Canada to agree to review the offshore accord.

INITIATIVE

Develop an improved corporate internal audit structure, financial management policies and procedures, and a public capital risk allocation methodology. (Finance) (Goal 1, Major Initiative #4)

Internal Audit

All internal audit divisions in the Nova Scotia government were combined under the Department of Finance on April 1, 2001. This enabled a more coordinated approach to government-wide risk management. A single risk-assessment approach is used to address internal audit priorities across government. Staff who were brought together in the new structure are able to share best practices and ideas for internal audit and to apply this knowledge across government.

Financial Management

The Government of Nova Scotia is committed to transparent and open financial reporting using generally accepted accounting principles. Nova Scotia is ahead of most provinces in implementing Public Sector Accounting Board standards. The new tangible capital asset (TCA) policy has promoted better planning for capital expenditures and better resource management.

There is more focus on refining other accountability methods such as performance measurement.

The government provided funding and support for the implementation of the SAP financial system in all seven regional school boards by March 31, 2002. With the same Financial Chart of Accounts used in all seven boards, the Department of Education has on-line and real-time access to each board's information.

The Government Restructuring (2001) Act, passed in spring 2001, created Treasury and Policy Board, which has a mandate to review and analyse business plans and establish reporting requirements to ensure full reporting and accountability of departments and agencies. In 2001–02,

TPB took specific action to improve the business planning process for departments, public service vote entities, and Crown corporations and led the annual accountability reporting process for government and departments.

In May 2001, government approved an accountability framework for more than 700 non-legislated agencies receiving over $45 million in annual grant payments from the province. Developed by a committee of staff from the departments of Education, Community Services, Health, and Justice, the framework requires a service agreement that calls for specific accountability reporting appropriate to the agency.

Considerable progress was made in 2001–02 on the Management Manuals project, which involves updating and publishing the administrative policies of government. Most sections of the Management Manuals were in draft form by year-end, and a Web-based system was developed to ensure that government staff have ready access to the manuals. Final approval of Management Manual content and publication is scheduled for 2002–03.

Public Capital Risk Allocation Methodology

Consistent with the government's commitment to fiscal discipline, the province is developing a comprehensive methodology for the allocation of risk capital.

In 2001–02, the Department of Finance developed a comprehensive method for the allocation of risk capital relating to contingent liabilities in the form of guarantees. This was circulated to user departments for advice prior to implementation.

INITIATIVE

Develop a comprehensive energy policy to make the most effective use of Nova Scotia's energy resources and take full advantage of new energy supplies and related development. (Petroleum Directorate, Natural Resources) (Goal 4, Major Initiative #3)

In 2001–02 the government consulted widely on how to gain maximum value for Nova Scotia's energy resources. Seven public workshops were held around the province and the Premier's energy forum, Open to the World, attracted a wide range of stakeholders and experts in the energy field.

On December 12, 2001, the government released *Seizing the Opportunity: Nova Scotia's Energy Strategy* in a two-volume report. The strategy is designed to be flexible enough to respond to changing circumstances and developments, yet remain consistent with the values and principles adopted by the province.

The strategy has at its core an economic focus. But, because energy plays such a

large role in our lives, our environment, and our future, it includes three major themes:

- Powering the economy: this sets out the potential new business, employment, and training opportunities from the discovery and development of its energy resources, including the introduction of limited and staged competition within the electricity sector and the promotion of renewable energy, which helps create business opportunities in rural Nova Scotia.
- Improving the environment: this theme is to be achieved by setting realistic requirements for reductions in air pollutants; by opening up the electrical transmission system for renewable energy producers; and by working with industry and the federal government on creating a regulatory environment and a science base of knowledge whereby the fishery and the oil and gas industry may both grow and prosper.
- Securing the future: this theme sets out the opportunities for making enduring changes to the Nova Scotia economy through development of energy resources, including the creation of an Offshore Heritage Trust Fund.

Plans were under way to create a new Department of Energy in 2002–03, as recommended in the energy strategy.

INITIATIVE

Promote the oil and gas sectors while implementing a regulatory framework that is fair to operators and citizens alike. (Petroleum Directorate, Utility and Review Board) (Goal 4, Major Initiative #4)

The year 2001 marked the first year of full natural gas production from the Sable Offshore Energy Project's first three fields. Record high gas prices from the previous year helped accelerate the recovery of investment in the project and moved ahead the date by which the province will start to collect significant net royalties.

More than 15 per cent of the natural gas from the Sable Offshore Energy Project has been contracted to Nova Scotia companies. Nova Scotia Power Inc. was able to use natural gas at their Tufts Cove electrical generating station to reduce air pollution, and during periods of high price demand NSPI was able to sell their gas contracts at a profit in other markets. The gains on the export sales helped the utility cushion rising coal prices and helped shelter consumers from energy price fluctuations in 2001–02.

The growing offshore energy sector saw more activity in all areas during 2001–02. Nova Scotia's exploration capabilities were enhanced, and more than 1,800 people were put to work when the *Eric Raude*

semi-submersible drill rig was brought to the province for completion. Exploration activity was centred in traditional areas near Sable Island's shallow waters. But, in December 2001, Nova Scotia's first modern-era deepwater well was begun.

Work to develop more natural gas reserves was also well under way in 2001–02. Both the SOEP Second Phase, or Tier 2, and the Deep Panuke Project had project engineering, design, and procurement management teams working out of Nova Scotia. This work was a major addition to Nova Scotia's capabilities and was not previously done in either the Cohasset-Panuke Project or the SOEP Tier 1.

Sempra Atlantic Gas Inc. (a subsidiary of Sempra Energy of California) applied to the Nova Scotia Utility and Review Board (UARB) in August 2001 to surrender its franchise for the distribution of natural gas in Nova Scotia. The UARB later approved the abandonment of the franchise and prepared for a new round of hearings to replace the franchise holder.

The energy strategy recommended

- eliminating natural gas distribution targets
- providing for the development of standard municipal operating and tax agreements
- permitting distributors to sell gas

The government of Nova Scotia prepared in 2001–02 to make changes to the Gas Distribution Act and related draft regulations to ensure that local gas distribution takes place on a sound economic basis, according to recommendations in the energy strategy.

INITIATIVE

Implement the Economic Growth Strategy. The Department of Economic Development will develop policies to create an environment for business to thrive. This will include working with Regional Development Authorities to encourage maximum growth in community economic development and establishing a comprehensive government statement of community economic development policy. (Economic Development) (Goal 4, Major Initiative #1)

Nova Scotia's Economic Growth Strategy, Opportunities for Prosperity, was evaluated by independent consultants in 2001. They indicated that, although action is needed in many areas, considerable progress was made on

- targets for 2005 and 2010 in the areas of GDP, exports, employment, and the achievement of a balanced budget

- development of an investment framework, regional capacity building, digital economy development, and an energy strategy
- development of linkages and partnerships

The Economic Development department produced principles of community economic development to guide government engagement with Nova Scotia communities. These were reviewed and supported by the Interdepartmental Committee on Community Economic Development and have been adopted by the Nova Scotia Rural Team.

Economic development plans are in place for all service regions (Cape Breton, Northern, Western, and Capital) that consider opportunities, barriers, and community interests. Field staff are responsible for implementation with central support.

All Regional Development Authorities completed 2002–03 business and development plans that link to Opportunities for Prosperity. This has become a condition of provincial funding and will remain so while the economic strategy is in place.

INITIATIVE

Working within the framework of the Economic Growth Strategy, Nova Scotia Business Inc. will support front-line business development activities, including providing support to existing local businesses and developing investment and trade opportunities. (Economic Development, NSBI) (Goal 4, Major Initiative #2)

Opportunities for Prosperity outlined a new government organizational structure to promote economic activity in a new way. Nova Scotia Business Inc. was created in April 2001 by legislation, and its first private-sector board of directors was named at that time. Regulations providing NSBI with its operating powers were passed in November 2001, signalling the final go-ahead for the corporation.

The corporation's vision is to be a catalyst for business growth and the expansion of economic opportunities in Nova Scotia. To achieve this, NSBI developed a five-year strategic plan, a business-focused team, and operational requirements to support its vision.

In 2001–02, Nova Scotia Business Inc. worked to assist businesses in expanding investment and development. This includes a renewed focus on the New England market and introduction of a

pilot project directed at aggressive pursuit of market opportunities for Nova Scotia businesses, primarily in the high-tech and biotech sectors, two potential growth industries.

Nova Scotia Business Inc. developed a trade plan for the province that focuses on client needs, based on a desire by small and medium-sized enterprises for personalized export services tailored to their products, markets, and sectors.

Investment decisions of the corporation are driven by the strength of the business case for each opportunity, and financial solutions are tailored to client needs.

Between November 6, 2001, and the end of the fiscal year at March 31, 2002, Nova Scotia Business Inc. approved five investments totaling $2.255 million.

INITIATIVE

Develop approaches through the Nova Scotia Business Opportunities Initiative to enhance opportunities for Nova Scotia companies for government and major project purchasing, while respecting national and regional procurement guidelines. (Economic Development, Transportation and Public Works) (Goal 4, Major Initiative #6)

The Nova Scotia Business Opportunities Initiative (NSBOI) supports the creation of awareness among Nova Scotia buyers and sellers about public-sector opportunities for Nova Scotia products in markets inside and outside the province.

The initiative encourages a broader distribution of information on Nova Scotia business capabilities, a greater competitiveness of Nova Scotia products and services, and an expansion of the use of e-commerce/e-procurement activities. Activities under this initiative in 2001–02 included:

- hiring staff at Transportation and Public Works and Economic Development to support this commitment
- developing a revised Procurement Policy to encourage local purchases
- developing a reciprocal treatment agreement for out-of-province bidders
- implementing a supplier development project and creating the position of Supplier Development Officer to find ways of improving access for Nova Scotia companies to public procurement opportunities

INITIATIVE

With our federal and other partners, create and implement an aggressive digital economy strategy to maximize Nova Scotia's emerging strengths in all aspects of information and communications technology—from broad-band connectivity to telemedicine. (Economic Development) (Goal 4, Major Initiative #11)

The Government of Nova Scotia started initial planning for a Nova Scotia Digital Economy Initiative. It is intended to build on the Information Economy Initiative, which increased community access to the Internet, added more computers in schools and enhanced e-business education. Work on this will continue in 2002–03.

INITIATIVE

Introduce the Brand Nova Scotia Initiative to more effectively promote Nova Scotia products at home and in key markets abroad. (Economic Development) (Goal 4, Major Initiative #13)

Research projects in key markets for Nova Scotia products were commissioned to increase the knowledge and understanding of the province's brand identity. These projects were scheduled for completion in 2002.

Potential strategies include product labelling, use of e-commerce, lobbying on behalf of local products, and ensuring that government tenders select local products when they are of similar price and quality.

INITIATIVE

Undertake activities to support entrepreneurship with new and expanded business opportunities in rural Nova Scotia through collaborative efforts such as the Nova Scotia Rural Team and the Sustainable Communities Initiative and a commitment to build regional capacity. (Economic Development) (Goal 4, Major Initiative #15)

The Sustainable Communities Initiative (SCI) has been very active in its two community partner areas, the Bras d'Or Lakes region and the Annapolis/Fundy region.

The initiative is designed to promote the best conditions for a prosperous economy in the community partner areas, but the issues being dealt with are varied and complex (e.g., water quality, poverty, wharf usage). Communities themselves are helping to determine the priorities.

In 2001–02, field teams were developed to include provincial, federal, municipal, and First Nations participants. Regional Development Authorities (RDAs) and NSBI

have a primary responsibility for this work throughout the province. Now that the structure is in place, the Sustainable Communities Initiative is positioned to develop some specific projects.

INITIATIVE

Support Nova Scotia's foundation industries through such measures as the continued implementation of the Forest Strategy. (Natural Resources) (Goal 4, Major Initiative #12)

Forestry

Nova Scotia's forestry sector is a $1.4-billion contributor to Nova Scotia's economy and provides some 12,000 direct and 10,000 indirect jobs for Nova Scotians every year. The value of exports for 2001 was $1.1 billion, including newsprint, wood pulp, softwood lumber, and other wood and paper products.

A number of activities supported and regulated the province's forestry industry in 2001–02. Most recommendations put forward in the AGFOR report were accepted by the government in July 2001, including recommendations to review the market value for stumpage in Nova Scotia every five years and to establish a Crown lands silviculture fund.

Government continued implementation of Nova Scotia's Forest Strategy. Work continued on the Code of Forest Practice, and 99.7 per cent of registered buyers were in compliance with the requirements of the Forest Sustainability Regulations during the year. Revisions to the regulations became effective in November 2001 to improve the reporting processes and increase the flexibility of silviculture treatment specifications for buyers. Amendments to the Scalers Act were introduced to improve the way wood volume is measured in the forest sector.

Throughout the year, the government worked with the other Maritime provinces, the Government of Canada, and the Maritime lumber industry to defend the industry's access to the US lumber market, following the termination of the Canada-US Softwood Lumber Agreement. Efforts were partially successful, as significant gains were achieved when the US government amended its countervail duty investigation to exclude Maritime producers. Staff continue to work closely to appeal the US anti-dumping duty decision through NAFTA and WTO Panel procedures and/or to achieve a national negotiated settlement with the US government.

Agriculture

Agriculture, commercial and recreational fishing, and aquaculture drive the economy of our rural and coastal regions, employing over 28,000 Nova Scotians and contributing some $1.5 billion to the provincial economy.

Close to 4,500 farms produced $420 million in farm cash receipts in 2001. Seafood continues to dominate Nova Scotia exports, posting a new record of over $1 billion in 2001. Aquaculture is maintaining strong growth trends, having exceeded targeted production values by 39 per cent for a total value of $ 55.4 million in 2001.

Mining

Nova Scotia's mining sector employed about 2,000 people and contributed more than $322 million to the Nova Scotia economy in 2001–02 through mineral production and exploration-related activities.

The Government of Nova Scotia continues to provide multidisciplinary geoscience programs that promote exploration and development of Nova Scotia's mineral resources. The Department of Natural Resources had an active program of geoscientific mapping and investigation during 2001–02, with 13 field programs in all areas of the province. The province's mineral potential was actively promoted at trade shows, scientific meetings, and public events.

Geoscience activities in 2001–02 identified previously unrecognized clay deposits and new deposits of limestone and dolomite in Cape Breton Island and new sources of aggregate in the Halifax-Dartmouth area, which led to further industry activity.

The Prospectors Assistance Program provided financial assistance to enable 11 Nova Scotian prospectors to promote their mineral properties and interact with potential investors, which led to an agreement to conduct additional exploration work in the province.

INITIATIVE

Implement the Agriculture Development Institute, led by farmers, to ensure the industry is on the cutting edge of research and best practices. (Agriculture and Fisheries) (Goal 4, Major Initiative #7)

The Agricultural Development Institute (ADI) was established in April 2001. The name was changed in 2002 to AgraPoint International Inc. Its seven-member board of directors is composed of four leaders in the agri-food sector (including the chair) and three public-sector representatives.

As an industry-led research organization and information source, AgraPoint is the first initiative of its kind in North America. AgraPoint professionals have considerable experience with specialties in livestock, horticulture crops, forage management, field crops, entomology, plant pathology, business and strategic planning, extension education, industry and agri-business development, quality assurance standards, and integrated pest management.

INITIATIVE

Implement a new and comprehensive risk management policy that focuses on the long-term economic security and viability of our farming industry. (Agriculture and Fisheries) (Goal 4, Major Initiative #8)

Government worked with Agriculture and Agri-Food Canada to develop the new five-year National Agricultural Policy Framework. The framework identifies key areas for policy development, including business risk management, food safety, environment, renewal, and science and innovation. It is anticipated that provincial agreements with the federal government will be negotiated and signed in 2002–03 with program development to follow.

Additional activities include

- economic and policy work in the areas of trade and risk management, including a comprehensive analysis of the hog industry and smaller analyses for producers from various agricultural commodities
- development and delivery of the Farm Income Support Program, which provided $4.3 million in financial aid to the 1,372 program participants who experienced economic losses from drought conditions
- re-establishment of a safety nets promotion and awareness program to increase producer participation in national income stabilization and income disaster programming

INITIATIVE

Work to enhance employment prospects for our young people with an emphasis in rural areas with high unemployment through the Provincial Employment Program. (Economic Development) (Goal 4, Major Initiative #14)

The number of jobs in Nova Scotia has continued to grow, and there are more jobs in Nova Scotia than ever before. According to Statistics Canada, employment in the province averaged 423,300 in 2001, a gain of 3,800 above the previous year.

Nova Scotia Employment *(thousands)*

	1999	2000	2001
Each year since 1998 has resulted in a new historic peak in total employment	409	420	423

In 2001, the Provincial Employment Program (PEP) focused on providing career-related jobs for post-secondary students and work experience for the unemployed. Through the program, 1,949 jobs were created with funding of $4,672,000.

Two-thirds of the budget for PEP was administered directly by Economic Development and covered five employment programs; the remaining third was committed to youth employment programs in five other departments.

Ninety per cent of the jobs were created in the summer; the remaining 10 per cent were placements to co-operative education students over three terms and 49-week internships with the government. A weighting factor was used to distribute positions across the province with preference for areas of high unemployment.

There was a strong emphasis on entrepreneurship and skill development throughout all programs. One program, Offshore Training Program, focused exclusively on training youth in the oil and gas sector and created an additional 66 jobs.

PEP dollars served to lever additional dollars to top up salaries in some of the programs from employers such as Human Resources Development Canada, Stora Forest, and Northeast Pipeline.

INITIATIVE

Promote tourism through the industry/government Tourism Partnership Council and the 2001 Tourism Marketing Plan. We will make new investment in our provincial visitor information centres for extended and year-round operations. (Tourism and Culture) (Goal 4, Major Initiative #5)

Nova Scotia's tourism industry continued to generate significant revenues in all regions of the province. In 2001, the industry generated more than $1.2 billion in annual revenues and welcomed more than 2 million out-of-province visitors. This is the fifth consecutive year in which industry revenues have surpassed the billion dollar mark, with two-thirds of this revenue representing export earnings.

The industry/government Tourism Partnership Council reached a milestone in 2001–02 when Nova Scotia's first integrated tourism plan was released, combining the annual marketing and product development plans. The plan offers a planned, strategic, and integrated approach to growing Nova Scotia's tourism industry.

The 2001–02 tourism marketing campaign focused on core markets in New England, Maine, Ontario, Quebec, Europe, and Atlantic Canada. Marketing investments of $5.3 million in these markets directly

resulted in $147 million in new tourism receipts from non-resident visitors and $9.9 million in new provincial taxes.

INITIATIVE

Support producers and distributors in the cultural sector in their efforts to generate new sales and export opportunities. (Tourism and Culture) (Goal 4, Major Initiative #10)

Tourism and Culture introduced new culture programs in 2001–02, with a greater focus on community cultural development and cultural industries. This supports our government's commitment to increase regional cultural activities, market our cultural strengths, and generate export revenues. Our new programming provides improved access and a competitive process for cultural investments.

INITIATIVE

In addition to making ongoing improvements to our roads and highways, we will work to improve our transportation network by negotiating cost-sharing on the National Highway System, helping the Halifax International Airport authority to promote the airport, and pursuing commercial ferry links to the Northeast US. (Transportation and Public Works) (Goal 4, Major Initiative #9)

The new Strategic Highway Infrastructure Program agreement was signed on July 27, 2001. This will result in $34.6 million being spent on the National Highway System in Nova Scotia to make roads safer and easier to travel for business or pleasure.

Transport Canada and Transportation and Public Works have approved both the Highway 101 Twinning and Highway 125 Twinning projects under this agreement. This money—$17.3 million of it provincial funds—will translate into 21 kilometres of twinned road on Highway 101, as well as funding for other projects around the province.

Nova Scotia and other Atlantic provinces officially harmonized regulations on vehicle weights and dimensions for truckers to promote economic activity in the region.

The government of Nova Scotia increased capital funding for road and bridge infrastructure in Nova Scotia, reversing years of cuts. Some $76 million was spent on the road network in 2001–02.

The province worked with the Halifax International Airport Authority and other groups to promote the airport as an Atlantic region asset. One goal is the establishment of US customs and immigration pre-clearance services in Halifax.

Regular meetings with Bay Ferries Limited, currently the only commercial ferry operator between Nova Scotia and the northeastern United States (via Digby–Saint John service) were held to discuss key issues and opportunities that arise.

INITIATIVE

Support road maintenance and transportation needs in rural communities and on secondary roads through the Rural Impact Mitigation Fund. (Transportation and Public Works) (Goal 4, Major Initiative #16)

In 2001–02, the government spent $10 million through the Rural Impact Mitigation program on rural roads, compared to $9 million in 2000–01.

These funds allowed Transportation and Public Works to do longer-term repairs to Nova Scotia's secondary highway system, instead of the temporary patches made under earlier funding regimes. In addition to surface repairs, the funds have also allowed TPW to address more safety needs such as guardrails and roadway shoulders on the secondary road system.

INITIATIVE

Efficient telecommunications

During 2001–02, government reviewed telecommunications needs and prepared a request for proposals for corporate telecommunication services (telephone—long-distance, voice, paging, cellular—and data communications) to be released in spring 2002. This was intended to attract the best potential suppliers, to provide telecommunications services that meet specified technology and service-level standards, and to contain costs.

In 2001, government put in place a new province-wide mobile radio system for emergency communication. Called Trunked Mobile Radio (TMR), the network provides a single emergency field communications tool for services as diverse as the RCMP, Emergency Health Services, volunteer fire and ground search and rescue, and municipal police.

In October 2001, the TMR Implementation Project was recognized nationally for excellence in the management of large-scale information technology projects at the 2001 Technology in Government Distinction Awards. While most users have now moved from the older system to the

new TMR system, the transition for all remaining users will be complete in 2004–05.

Measuring Our Performance

This section provides performance measures related to Nova Scotia's economy and its business climate.

The Office of Economic Development produces a Business Climate Index, which includes 52 indicators and ranks Nova Scotia relative to other provinces. The indicators are grouped under four headings: development capacity, economic performance, tax and fiscal environment, and business vitality.

Additional information may be found in the Office of Economic Development's Accountability Report, 2001–02.

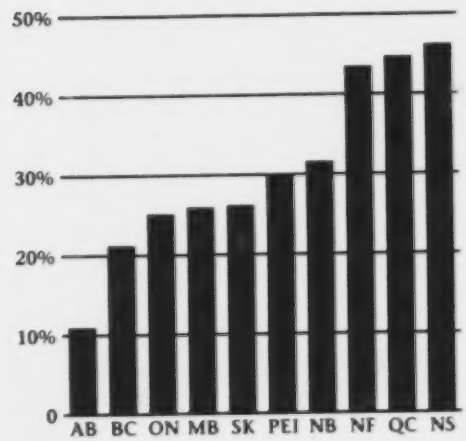
PROVINCIAL GOVERNMENT DEBT AS A PERCENTAGE OF GDP

Outcome: Improved economic climate

What does the measure tell us?

A measurement of Nova Scotia's fiscal health is the provincial debt relative to its economic growth. Provincial debt to gross domestic product (GDP) measures sustainability—the higher the ratio, the more onerous the debt burden. This measure is commonly used by governments, rating agencies, and the media. In 1990–91 Nova Scotia's net direct debt to GDP ratio was 27.9 per cent. In 2000–01 Scotiabank's economic group had forecast that Nova Scotia's net direct debt to GDP ratio would be 46.2 per cent.

Provincial Net Debt Burden



Source: Moodys data and Scotia McLeod estimates contained in Fiscal Pulse – The Provincial Budget. Caution in 2001

Where are we now?

The 2001–02 actual net debt to GDP ratio is 44.1 per cent. Nova Scotia has the highest provincial net debt to GDP ratio in the country.

Atlantic Canada's Business Tax Rates, 2002 *(percent)*

	Nova Scotia	New Brunswick	PEI	Nfld and Labrador
General Income Tax	16	15.25*	16	16
Small Business Income Tax	5	4	7.5	5
Large Corporations Tax (Capital Tax)	0.25	0.3	Nil	Nil

Source: Nova Scotia Department of Finance

*Average for 2002. January 1, 2002 the rate was 16%, dropping to 14.5% on July 1, 2002.

Where do we want to be?

Our target for the future is to reduce Nova Scotia's net debt to GDP ratio, with the longer-term goal to have Nova Scotia's ratio more in line with the national average.

CORPORATE INCOME AND CAPITAL TAX BURDEN

Outcome: Improved economic climate

What does the measure tell us?

Corporate income and capital tax rates measure the overall business tax rate applied to Nova Scotia business. The current measure looks only at the general rates and does not include special tax incentives and targeted measures. The measure was selected because it is the most visible form of taxation for businesses looking to invest in Nova Scotia. This measure tells us the general tax rates applied to business income and to business capital—the two major elements of business investment. By monitoring these rates, we can compare them with rates in other jurisdictions to ensure that Nova Scotia remains competitive.

Where are we now? Where do we want to be?

We want to ensure that our business tax rates remain competitive with other provinces while maintaining fiscal responsibility. The introduction of a balanced budget in 2002–03 allows the province to remain competitive.

MARGINAL EFFECTIVE PERSONAL TAX RATES

Outcome: Improved economic climate

What does the measure tell us?

This measure looks at the marginal effective tax rates in four personal income ranges, commonly referred to as the low, middle, and high brackets and either a high-income surtax or a fourth bracket. It is a good measure of the amount of tax

Atlantic Canada's Personal Income Tax Rates, 2002 *(percent)*

	Nova Scotia	New Brunswick	PEI	Nfld and Labrador
Low	9.77	9.68	9.8	10.57
Middle	14.95	14.82	18.18	16.16
High	16.67	16.52	18.37	18.02
High plus (includes surtaxes)	18.34	17.84	18.37	18.02

Source: Nova Scotia Department of Finance

expected to be paid on the next dollar earned. This does not measure tax burden.

The measure tells us how much tax an individual can expect to pay on the next dollar of taxable income earned and allows comparisons with other provinces.

Where are we now?

As a result of the move to Tax on Net Income, provinces are allowed to individually move income brackets. Differing brackets across the country hinder comparability. We distinguish the brackets by the terms "low" (up to about $30,000), "middle" (up to about $60,000), and "high" (over $60,000.) "High plus" can refer to the start of a high-income surtax based on the amount of basic tax payable. The surtax is calculated as a percentage of the basic tax in excess of the threshold, in Nova Scotia's case, $10,000 of tax. "High plus" can also refer to an additional bracket (in New Brunswick's case, $100,000 of income).

Where do we want to be?

The Government of Nova Scotia is committed to remaining competitive with other provinces, particularly in Atlantic Canada. The implementation of Tax on Net Income has given the province greater flexibility.

CREDIT RATING BY MAJOR RATING AGENCIES

Outcome: Improved economic climate

What does the measure tell us?

Credit rating is an evaluation by a credit-rating agency of a borrower's ability and willingness to pay interest and to repay principal. The rating provides investors with these measures of credit quality of bonds or other financial instruments. A credit rating affects the borrower's debt-servicing costs and the investor's rate of return, since an investor is likely to demand a higher interest rate on a more risky, lower-rated security.

Where are we now?

The baseline for fiscal 2001–02 is the Dominion Bond Rating Service's (DBRS) rating of the Province of Nova Scotia at BBB (high) with a stable outlook. In comparison to other provinces, this places Nova Scotia second-lowest, with Alberta receiving the highest rating, at AA (high), and Newfoundland the lowest, at BBB.

Where do we want to be?

The target is for a DBRS rating of BBB (high), with a positive outlook, or a rating of A (low) by 2004–05.

WORKING TIME LOST DUE TO STRIKES AND LOCKOUTS

Outcome: Sound business climate

What does the measure tell us?

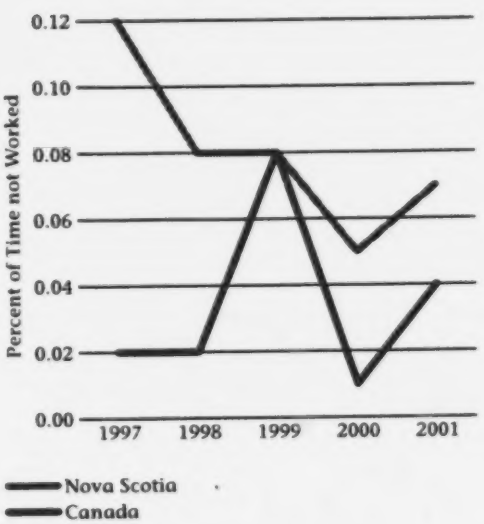
This measure is one indicator of labour stability, an important factor for economic development. In recent years, Nova Scotia has shown a high degree of labour stability; and time loss due to strikes/lockouts has been below the national average.

Where are we now?

In 2001, the percentage of working time lost due to strikes and lockouts was 0.04 per cent for Nova Scotia, and 0.07 per cent nationally.

Work Stoppages

Time not Worked as a Percentage of Working Time



Sources: Human Resource Development Canada, Nova Scotia Department of Environment and Labour.

Where do we want to be?

Our ongoing target through to 2004–05 is to remain at or below the national average for percentage of working time lost. This will be accomplished through effective use of the conciliation and mediation processes.

PUBLIC/PRIVATE CAPITAL INVESTMENT

Outcome: Infrastructure that supports economic growth

What does the measure tell us?

Public and private investment per capita measures the value of capital expenditures per person for new construction and

machinery equipment. Information on capital spending provides a useful indication of infrastructure capacity and market conditions in the economy. The Department of Economic Development leads the provincial economic growth strategy, Opportunities for Prosperity, which focuses on creating the right conditions to help the economy grow, such as making public investments in infrastructure that will in turn attract new private investment.

Where are we now?

Preliminary data show that investment per person in Nova Scotia was $4,577 in 2001. (Note: the number reported in the 2001–02 Business Plan was incorrect.) With the exception of Prince Edward Island, investment per capita in all Atlantic provinces has been decreasing since 1999.

Where do we want to be?

We want to increase investment per capita over time. Opportunities for Prosperity outlines several steps to increase infrastructure capacity and internal investment. The steps include the following:

- implementing the Infrastructure Canada–Nova Scotia partnership agreement with the federal government and municipal governments
- making it easier for Nova Scotians to invest at home through such programs as Community Economic Development Investment Funds and community bonds
- building on the work of the Information Economy Initiative and other provincial/federal collaborations, using government leverage to ensure that Nova Scotians have digital connections

RIDING COMFORT INDEX

Outcome: Infrastructure that supports economic growth

What does the measure tell us?

The condition of our highway system is measured using a riding comfort index (RCI). RCI is measured on a scale of 0 to 10, where 0 is unacceptable and 10 is smoothest. The level of riding comfort on 100-series routes reflects highways' contribution to increased economic development by enabling industry to access new resources, facilitating the transport of raw materials and finished goods, and providing mobility for workers and consumers to reach the workplace and the marketplace.

Where are we now?

In 2001, the average RCI of 100-series highways was 7.4, a slight improvement from the previous year when it was 7.3. Transportation Association of Canada's standard for 100-series highways is an RCI of 5.5 or better.

Where do we want to be?

We will strive to maintain the level of riding comfort on 100-series highways. The RCI will be replaced by a new, more advanced measure in the coming year. The International Roughness Index (IRI) is internationally accepted and comparable across jurisdictions. An IRI baseline will be established in 2002–03. A new target will be determined from baseline IRI data.

EMPLOYMENT RATE

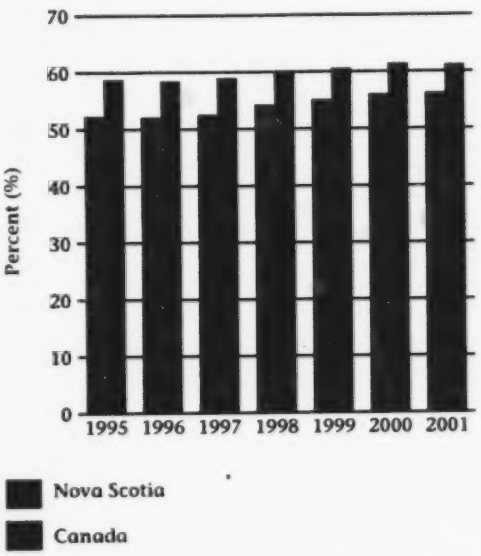
Outcome: Improved economic activity

What does the measure tell us?

The employment rate measures the number of Nova Scotians, 15 years and older, working in full-time and part-time jobs. It fluctuates throughout the year on a fairly predictable seasonal basis, so using an average figure is the best indicator of performance over time.

Employment Rate

Nova Scotia and Canada



Source: Statistics Canada, Labour Force Historical Review 2001.

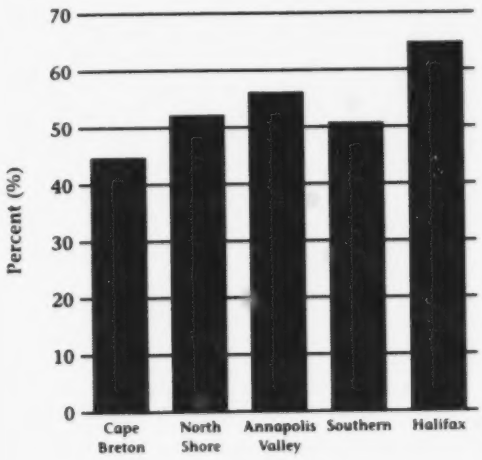
Where are we now?

Nova Scotia's employment rate in 2001 was 56.3 per cent, up from 56.1 per cent in 2000 and 52.4 per cent in 1995. The overall rate for Canada in 2001 was 61.2 per cent, up from 58.8 per cent in 1995.

Employment rates vary within the province, as well. At 44.8 per cent in 2001, the Cape Breton region is considerably below the provincial rate. Halifax, at 64.9 per cent in 2001, has performed above the provincial and national employment rates.

Employment by Region

2001



Source: Statistics Canada, Labour Force Historical Review 2001

Where do we want to be?

Our aim is to continuously monitor employment rates and implement meaningful strategies that, over time, will help to close the existing gaps.

Families and Communities

In 2001–02, the provincial government continued to enhance its programs to help Nova Scotia families and communities to reach their potential.

Changes to the Employment Support and Income Assistance program and the Nova Scotia Child Benefit Program helped improve the situation of children in Nova Scotia, particularly those in low-income families. This was complemented by stabilization grants to full–day care facilities and increased portability of child-care spaces.

Keeping Nova Scotians safe was a priority, met by promoting worker occupational health and safety, by funding and regulating policing programs to reduce crime, and by improving the safety of our roads.

A new funding formula for municipalities was developed to ensure stability of services to taxpayers across the province.

The following goals were pursued:

- to put crucial services—health, education, social services—on a sustainable foundation
- to foster an environment that allows and encourages Nova Scotians to work, live, raise families, and stay in Nova Scotia

Major Initiatives 2001–02

INITIATIVE

Implement the Employment Support and Income Assistance Act to enable Nova Scotians to make the transition from welfare to work. (Community Services) (Goal 2, Major Initiative #1)

During 2001–02 government introduced a new employment support and income assistance system. This is the most significant change to Nova Scotia's welfare system in more than 30 years. The goal of the new program is to help people become self-reliant within their capacity.

Enhanced funding for child care and transportation are important components of the new employment support and income assistance system. Not only does the new system recognize that there will always be a need to ensure that vulnerable Nova Scotians and their children have a secure and predictable level of support, it recognizes that given the right supports, Nova Scotians can increase their employability and level of independence.

The new program came into effect on August 1, 2001. To complement this transition, the new Employment Support and Income Assistance Policy Manual was made available on line. Through the remainder of the fiscal year the Department of Community Services focused on smooth delivery of client services during the implementation period. Stakeholder information sessions were held throughout the province in the early fall. All aspects of the program and accompanying regulations and policy were carefully monitored and further refinements were made. Work began in-house on the development of a program evaluation strategy.

INITIATIVE

Children who live in poverty will have a more stable future. A standard children's benefit for all low-income families will make it easier for parents to stay in the work force or leave social assistance. (Community Services) (Goal 2, Major Initiative #2)

To address child poverty the government made major changes to the Nova Scotia Child Benefit Program. Children's personal allowances were removed from the income assistance program and replaced by combining them with the National Child Benefit (Supplement) and the Nova Scotia Child Benefit Programs.

Under the new system, individuals receiving assistance do not have to worry about losing their children's benefits if they leave the system to enter the work force. These changes also recognize children of low-income working families by providing the Nova Scotia Child Benefit Program to all families with annual incomes of $20,921 or less. In 2001–02 these programs served approximately 35,000 families with 60,000 children.

INITIATIVE

As partners in the National Children's Agenda, we will improve services offered under the Early Childhood Development Initiative, including child care, parenting supports, and programs to enhance the well-being of children in the early years. (Community Services) (Goal 2, Major Initiative #3)

In November 2001, the province approved the implementation of initiatives under the Federal/Provincial/Territorial Early Childhood Development Agreement, which recognizes the importance of investment in the early years of children's lives and which will invest $66 million over the next four years. Funding will not only build on existing community-based services, but will also create new, innovative programs.

In Nova Scotia, the objective is to develop a comprehensive and integrated early childhood development strategy. The components include stabilization and enhancement of the current child-care system and development of a coordinated system of supports for families with young children.

Under the agreement, the government of Nova Scotia issued 195 Child Care Stabilization grants to full–day care facilities for a total of $3.4 million. These grants represented the first installments under the stabilization program. The funding is to assist in attracting and retaining quality child-care staff in Nova Scotia.

INITIATIVE

Commission an independent review of the provincial Framework for Action Against Family Violence as part of our effort to deal more effectively with incidents of spousal/partner abuse. (Justice) (Goal 2, Major Initiative #9)

An independent review of the Framework for Action Against Family Violence was completed in May 2001 by Dawn Russell, Dean of Dalhousie Law School. Dean Russell endorsed the continuation of the framework and made a number of recommendations for improving the response to family violence.

The government responded in November 2001 with an announcement of the creation of a Justice Learning Centre in Truro, which will provide training for justice-related programs, including family violence training.

Domestic violence legislation was passed in fall 2001 to provide increased protection for victims of family violence, and $157,000 is being provided for victim support workers to work with police agencies in identifying high-risk cases and providing victim assistance.

INITIATIVE

Continue to urge the federal government to expand the Family Division of the Supreme Court to all areas of the province to help families solve problems outside the courtroom. (Justice) (Goal 2, Major Initiative #10)

The Supreme Court (Family Division), which combines federal and provincial jurisdiction over family matters, was introduced in the Halifax Regional Municipality and Cape Breton Island in April 1999. The expansion of the Family Division continues to be a priority for the province and an issue that is raised with the federal government at every opportunity.

While we await a federal decision regarding the appointment of superior court judges, we are striving to provide

uniform services to families across the province. Parent education, mediation, and conciliation services are now being provided through the provincial Family Court in locations outside metro and Cape Breton.

INITIATIVE

Continue to implement projects to improve transportation options and access for people with disabilities to community buildings across the province. (Service Nova Scotia and Municipal Relations) (Goal 6, Major Initiative #7)

The Community Transportation Assistance Program (CTAP) funding promotes the expansion of accessible transportation services throughout the province. CTAP funding has directly benefited seven existing regional community-based transportation providers in the counties of Kings, Colchester, Yarmouth, Annapolis, and Pictou and the municipalities of West Hants and Clare. It has also stimulated the potential development of five new community-based transportation systems across the province (Richmond, Musquodoboit, Chester, Digby, and Shelburne).

INITIATIVE

Support racial diversity by approving a Racial Equity Policy for the public school system for fall 2001 and expanded diversity training for our senior staff. (Education) (Goal 6, Major Initiative #8)

The Racial Equity Policy was developed in 2001–02 for implementation in 2002–03. A Summer Institute on the Bias Evaluation will be used to train teachers as part of the implementation process. During 2001–02, the Department of Education worked with school boards and universities to develop a masters program tailored to the needs of resource teachers. Programs are being offered at both St. Francis Xavier and Mount Saint Vincent universities. During 2001–02, approximately 75 participants were registered in these programs.

INITIATIVE

Continue dialogue and negotiation of treaty and related issues with the Mi'kmaq people of Nova Scotia. (Aboriginal Affairs) (Goal 6, Major Initiative #9)

The Office of Aboriginal Affairs successfully negotiated an umbrella agreement with the Government of Canada and the Mi'kmaq of Nova Scotia. This agreement formalizes the key aspects

of the relationship among the three parties, including

- framework agreement negotiation on treaty and related issues
- restructuring and revitalizing the current Mi'kmaq–Nova Scotia–Canada Tripartite Forum
- discussion among the three parties on the nature and extent of consultation between governments and the Mi'kmaq.

INITIATIVE

Conclude the Municipal-Provincial Roles and Responsibilities Review to more fairly allocate revenues and responsibilities between levels of government. (Service Nova Scotia and Municipal Relations) (Goal 6, Major Initiative #10)

The Municipal-Provincial Roles and Responsibilities Review was an effort to ensure that each level of government delivers the appropriate services in the most efficient, accountable, and effective manner.

In 2001–02, the province picked up the final $6.6-million installment of social services costs (for a total of $44 million) previously borne by municipalities, as part of the ongoing Roles and Responsibilities Review.

Significant consultation was undertaken with municipalities in 2001–02 to identify solutions that would provide assistance to those in greatest financial need. Input was sought from every municipality on a proposal for the province to carry the municipal costs associated with corrections and housing in exchange for municipalities picking up the costs of a financial equalization program. Unable to reach a consensus among 55 municipalities, the province modified the proposal, eliminating the exchange of services between the two levels of government.

Instead, the department designed and implemented a new equalization grant formula and foundation grant program for towns and continued to provide unconditional operating grants to those in greatest need. The revised municipal equalization formula was funded from increased Nova Scotia Power Inc. (NSPI) property taxes.

This initiative gave the Cape Breton Regional Municipality and small-town Nova Scotia an injection of funds to offer residents better services and stable property taxes. This was previously an unresolved issue and one of the main reasons the Roles and Responsibilities Review was started. It also means that NSPI will no longer be subsidized by taxpayers, bringing it more in line with similar-sized utilities across the country.

The next step in this process is a renewal of the partnership between the two levels of government, including formalizing the forum within which negotiations and consultations take place.

INITIATIVE

Improve public safety and security in our neighbourhoods by:

- *developing a comprehensive and effective crime prevention strategy in cooperation with various stakeholder groups*
- *improving the response of the justice system to incidents of family violence*
- *pursuing Criminal Code amendments regarding home invasion.*

(Justice) (Goal 6, Major Initiative #11)

The Community Mobilization Program provided $1.2 million in federal funding to 61 crime-prevention projects across Nova Scotia in 2001–02. The projects are designed at the community level and are targeted to stop crime before it starts.

The Nova Scotia Safer Communities Initiative has been active in bringing communities, police, and government agencies together to create safer homes and safer streets. Information on best practices in fighting crime is shared through quarterly meetings, a regular newsletter, and an interactive website.

At federal/provincial/territorial meetings of Ministers of Justice, Nova Scotia continued to call for the creation of a separate offence of home invasion in order to underscore the seriousness of this crime and the devastating effect it has on its victims. Amendment to the Criminal Code of Canada is a matter within the jurisdiction of the federal government.

INITIATIVE

Invest new resources in regional arts councils to directly support the cultural priorities of communities and regions in Nova Scotia. (Tourism and Culture) (Goal 6, Major Initiative #13)

The Department of Tourism increased its financial investment approximately threefold from 2000–01 to 2001–02, from $19,285 to $56,200. Most of this came from increasing the financial support to councils from a maximum of $2,000 to a maximum of $7,500. Project assistance also increased from $960 for workshops to $7,000 for projects under the new Cultural Activities program introduced in summer 2001. This extra support enabled regional arts councils to stabilize and/or increase their community cultural programming, giving Nova Scotians more opportunity to

use cultural resources and participate in cultural activities.

INITIATIVE

Develop policies to allow better access to school facilities for sport and recreation activities. (Sport and Recreation, Education) (Goal 6, Major Initiative #14)

The Nova Scotia Sport and Recreation Commission identified recreational access to schools as an important factor in ensuring healthy citizens and communities.

School boards have a wide variety of policies and practices on access and cost of after-hours use of school facilities. Government developed a framework for standardizing user-group access and working toward consistency in user fees, while also addressing security and liability issues. This framework will be finalized in 2002–03 for use by school boards.

INITIATIVE

Undertake a rest area pilot project along Highway 104 to promote highway safety and enhance service to tourists. (Transportation and Public Works) (Goal 6, Major Initiative #16)

There has been an increasing demand for rest areas on Nova Scotia highways, where motorists can access basic services by easily and safely exiting major roadways. In response to this need, a pilot project was initiated to establish a limited number of rest areas along Highway 104 by inviting private-sector participation.

Three zones for possible rest area development were identified—Springhill to Thomson Station (Oxford), Debert/Glenholme (Masstown), and Salt Springs to Stellarton (New Glasgow). Currently, development is proceeding in the Salt Springs to Stellarton zone. Construction of the facility is expected to be complete by July 2002, at which time it will open for operation. An evaluation of this pilot project will be carried out in the next year.

INITIATIVE

Establish an external advisory committee to carry out a review of the Workers' Compensation Act. (Environment and Labour) (Goal 6, Major Initiative #17)

The review committee was appointed and carried out its mandate in 2001–02. The final report was presented to government in March 2002. Government will review the 41 recommendations and respond to the review in the next fiscal year.

INITIATIVE

Implement the Intensive Supervision and Support Program to deal more effectively with young offenders as they make the transition back into society. (Justice) (Goal 6, Major Initiative #18)

The Intensive Supervision and Support Program (ISSP) provides an alternative to custody for high-risk young offenders and a structured transition to the community for those who are released from custody.

Each young person takes part in structured rehabilitation programs as outlined in their individualized case plan. The ISSP promotes responsibility and accountability, reintegration into the community, and reduction in the risk of reoffending.

The program was piloted in Halifax Regional Municipality and Cape Breton Island in 2001–02 and will be implemented province-wide during 2002–03 in anticipation of the proclamation of the Youth Criminal Justice Act on April 1, 2003.

INITIATIVE

Expand our Restorative Justice Program, which holds offenders accountable for their actions and promotes victim and community involvement in the healing and restoration process. (Justice) (Goal 6, Major Initiative #19)

During 2001–02, the Restorative Justice Program became a province-wide service, expanding from the four original pilot communities. Through a network of seven community justice agencies operating from nine sites, the program is now able to provide this service to any eligible youth who may be referred by police, Crown, courts, or corrections entry points.

The program responded to 1,357 referrals in 2001–02. Participant satisfaction rates, measured at over 90 per cent in the first-year evaluation, continued to be high for victim, offender, and community participants. The criminal justice agencies have been successful in developing a service delivery model that is meeting the needs of young offenders and victims.

INITIATIVE

Revamp our Fatality Inquiries Act by working with the policing and medical communities to improve and streamline the process to investigate sudden or unexplained deaths. (Justice)
(Goal 6, Major Initiative #20)

The Fatality Investigations Act was passed in fall 2001. It replaces the old legislative framework and clearly specifies the role of the Medical Examiner as well as law enforcement in dealing with sudden or unexplained deaths. The new act outlines when the Medical Examiner's Office must be notified regarding a death and changes the fatality-inquiry process.

INITIATIVE

Continue support, participation in, and further development of the Sustainable Communities Initiative. (Most departments)
(Goal 6, Major Initiative #21)

Ten government departments and agencies are involved in the Canada–Nova Scotia Sustainable Communities Initiative. Staff from the four levels of government (federal, provincial, First Nations, and municipal) are working on environmental and community development issues in the Bras d'Or lakes and Annapolis-Fundy watershed areas.

In 2001–02 the field teams in each of the pilot areas built networks through monthly meetings, established working relationships with First Nations bands and municipal staff, and provided briefings on programs and projects.

The coordinating committee distributed funding for field-team studies and training, communication channels to senior officials, clarification and flagging of policy issues, and the operation of a small secretariat office.

Measuring Our Performance

CRIME RATE

Outcome: Safe, robust, vibrant communities

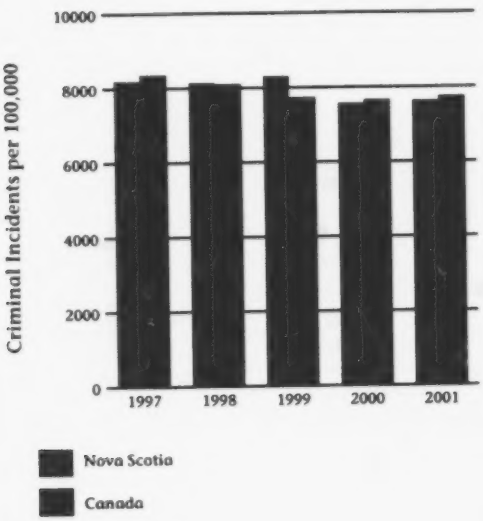
What does the measure tell us?

The crime rate tells us how many criminal incidents have been reported to the police for violent crime, property crime, and other Criminal Code offences during a specific time period. The number of criminal offences is standardized per 100,000 population to compare the crime rate in communities of different sizes.

The crime rate is one of the key indicators of the social and economic well-being of society. It is affected by factors including

Overall Crime Rate

1997–2001



Source: Statistics Canada

level of enforcement activity by the police, reporting of criminal incidents by the public, level of police resources, and changes in the law or in government policy.

The Government of Nova Scotia plays a role in controlling crime by setting standards for policing, contributing to the funding of policing services, and supporting community-based initiatives that help to prevent crime.

Where are we now?

The most current data available are for 2001. In Nova Scotia there were 7,637 criminal incidents reported per 100,000 population. This figure was below the national average of 7,747 criminal incidents per 100,000 population. Comparing the Nova Scotia crime rate for 2001 versus 2000, a slight increase occurred. There has been no demonstrable upward or downward trend over the past five years.

Where do we want to be?

Our target for this measure is to maintain the Nova Scotia crime rate below the national average.

PERSONAL SAFETY

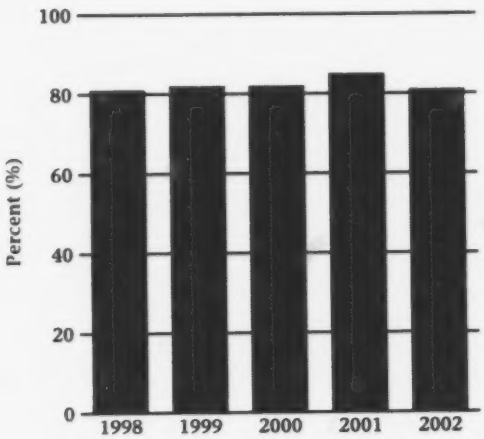
Outcome: Safe, robust, vibrant communities

What does the measure tell us?

Respondents to a public opinion telephone survey were asked how safe they feel walking alone at night in their neighbourhood—very safe, reasonably safe, somewhat unsafe, or very unsafe. The percentage reported includes those who felt very safe and those who felt reasonably safe.

Perceived safety is one of the key indicators of the overall social and economic well-being of society. This is affected by a number of factors, including

Respondents Who Feel Very Safe or Reasonably Safe



Source: Statistics Canada.

the level of crime in a community, the reporting of crime by the media, and the visibility of police in a community. The government plays a role in increasing the safety of communities by setting standards for policing services, contributing to the cost of policing, and supporting community-based initiatives that help to prevent crime.

Where are we now?

In 2002, 81 per cent of Nova Scotians indicated they felt "very safe" or"reasonably safe" in their neighbourhoods. The level of perceived safety decreased in 2002 compared with 2001 (81 per cent in 2002; 85 per cent in 2001). The finding that Nova Scotians generally have a high level of perceived safety is reinforced by results from the General Social Survey done by Statistics Canada where results from the 1999 survey indicated that Nova Scotia was above the national average.

Where do we want to be?

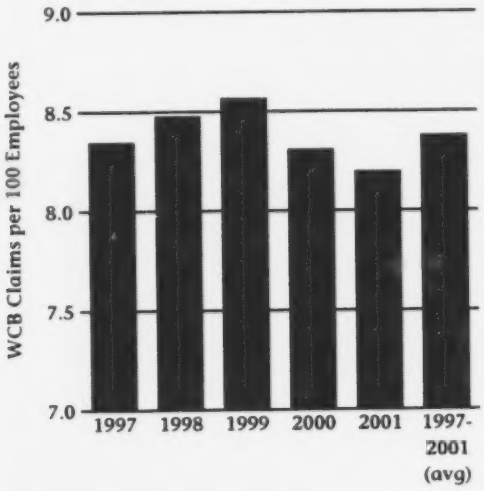
Our target for this measure is to maintain the level of perceived safety above 80 per cent.

WORKERS' COMPENSATION CLAIMS

Outcome: Safe, robust, and vibrant communities

A safe working environment is critical to worker occupational health and safety. Government works with employers and employees to promote compliance with a legislative framework that reflects current workplace standards. By creating safe working environments, we minimize workplace hazards and risk, which reduces the likelihood of accidents resulting in workers' compensation claims.

Average Number of Registered WCB Claims



Source: Nova Scotia Department of Environment and Labour.

What does the measure tell us?

The average number of registered Workers' Compensation Board (WCB) claims per 100 employees is indicative of the number of workplace injuries resulting in time away from work that occur in workplaces covered by workers' compensation. The measure allows government to monitor trends, compare with national averages, and set targets for reductions in accidents. The current-year measure is compared with the five-year average because fluctuations occur annually, and only an average can provide an accurate baseline for comparison.

Where are we now?

The rate of claims per 100 employees for 2001 was 8.2. The five-year average (1997–2001) is 8.38.

Where do we want to be?

Our target through to 2004–05 is to be at or below the five-year average. This will be accomplished, in part, by working closely with the Workers Compensation Board to identify high-accident firms and sectors and frequent types of accidents and to use this information to target compliance-promotion activities and inspections more effectively.

CASUALTY RATES

Outcome: Safe, robust, vibrant communities

What does the measure tell us?

Government tracks casualty rates (fatalities and injuries) per 10,000 motor vehicles registered. Casualty rates are affected by a number of factors—drivers, vehicles, enforcement, education, and engineering programs. The results can be compared across jurisdictions.

The government plays a role through vehicle safety, highway improvement, and driver behaviour initiatives, using the casualty rating as an indicator of whether and how well programs are contributing to improved highway safety. However, a change in the casualty rate may be caused

Casualty Rates

Year	Fatalities	Injuries	Casualties/ 10K Motor Vehicles Registered
2000	87	6,999	123.9
2001	80	6,327	109.39

Source: Nova Scotia Collision Record Database

by any one or a combination of the factors listed.

Where are we now?

The recorded casualty rate in 2000 was 123.9 casualties/10,000 vehicles registered. In 2001, there was an improvement, as the rate declined to 109.4. (There was a decline in the number of fatalities and injuries in 2001, while at the same time the number of motor vehicles registered increased.)

Where do we want to be?

Government's aim is to continually decrease the casualty rate. In the future, all jurisdictions will be working together to achieve national road safety targets.

INCOME ASSISTANCE RECIPIENTS SECURING EMPLOYMENT

Outcome: More self-sufficient families

What does the measure tell us?

Many people who get income assistance are actively seeking employment. This measure looks at the percentage of income assistance recipients securing full- or part-time employment. These earnings either reduce the amount of their social assistance entitlement or result in a complete exit from the program. The results reflect the number of people who have secured full- or part-time employment and may include those who are still receiving social assistance at a reduced amount.

Where are we now?

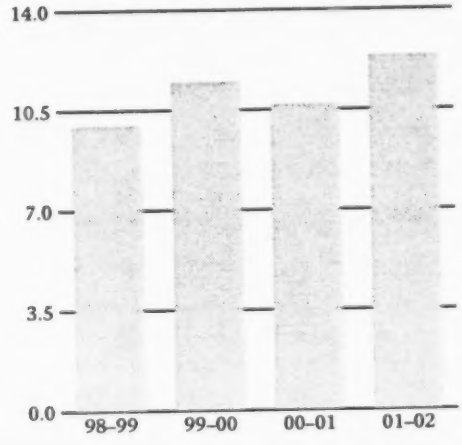
During the 2001–02 fiscal period, 3,352 individuals (9.9 per cent) accessed full- and part-time work. Given the reduction in the number of people getting assistance benefits over the past four years, this amount represents an increase in the percentage of total recipients securing work. From the 1998–99 to 2001–02 fiscal periods the income assistance caseload was reduced from 42,008 to 33,762. Consequently, those who remain in receipt

of assistance are more likely to have significant barriers to employment. Despite these circumstances, outcomes have remained stable.

Where do we want to be?

The new Employment Support and Income Assistance Program provides greater support for income-assistance recipients making the transition to work. This should help more people with significant employment barriers to meet all or part of their income needs through wage earnings. The 2004–05 target is to see an increase in the percentage of income assistance recipients who have secured full- or part-time work.

Percentage of Income Assistance Recipients Cases Securing Work



Source: Nova Scotia Department of Community Services, Employment Support & Income Assistance Division.

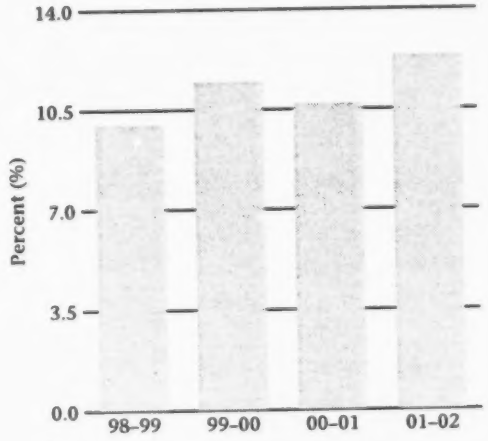
INCOME ASSISTANCE RECIPIENTS PARTICIPATING IN UPGRADING AND TRAINING PROGRAMS

Outcome: More self-sufficient families

What does the measure tell us?

Many income assistance recipients are trying to develop their skills and personal potential. This helps them prepare for work and participate as full citizens in their communities. Individuals may enrol in a variety of programs, including literacy and upgrading, as well as courses to develop job-specific skills.

Percentage of Income Assistance Recipients Participating in Upgrading & Training Programs



Source: Nova Scotia Department of Community Services, Employment Support & Income Assistance Division.

Where are we now?

During the 2001–02 fiscal year, 4,183 (12.4 per cent) income-assistance recipients took upgrading and training programs. This is an increase from the 2000–01 period and compares favourably with results over the past four years.

Where do we want to be?

Many people need to refresh existing skills or gain new knowledge to successfully enter the labour market, and efforts are under way to meet the broad range of individuals' needs. The 2004–05 target is an upward trend in the percentage of income-assistance recipients participating in upgrading and training programs, given a continually declining caseload.

CHILDREN LIVING IN LOW-INCOME HOUSEHOLDS

Outcome: More self-sufficient families

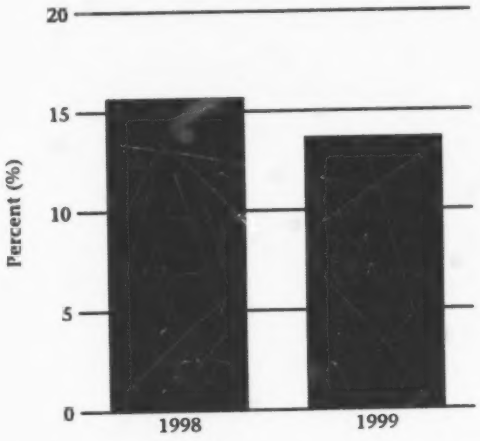
What does the measure tell us?

Statistics Canada calculates the income level at which a family may experience hardship because it has to spend a greater portion of its income on the basic necessities than does an average family of similar size. This is referred to as the Low-income Cut-off (LICO). The measure indicates the percentage of children under the age of 18 living in families likely to spend 20 per cent more of their income on food, shelter, and clothing than the average family in Nova Scotia.

Where are we now?

The most recent information available for this measure is for 1999. In that year, 13.7 per cent of children under the age of 18 were living in households with incomes after taxes below the Low-income Cut-off. This is an improvement upon the 1998 figure of 15.7 per cent. The change may be attributed to increases in payments to low-income families with children through the National Child Benefit Initiative and the Nova Scotia Child Benefit Program.

Prevalence of Children in Nova Scotia under 18 Years of Age Living in Low-Income Households



Source: Statistics Canada, Incomes in Canada

Where do we want to be?

Our target is to continue this downward trend. To achieve this, we will continue to work with other important stakeholders, including the federal government, to address the needs of low-income Nova Scotians with particular emphasis on the circumstances of children. This includes such initiatives as the Nova Scotia Child Benefit Program, the Early Childhood Development Initiative, and the provincial commitment to provide more portable subsidized child-care spaces. Portable subsidized child-care spaces are assigned to the child and not to the child-care centre. The space and the subsidy follows the child if the family has to move within the province.

The Environment

The government of Nova Scotia worked with Nova Scotians in 2001–02 to protect the environment, promote safety, and conserve our precious natural resources.

Government policies and programs must ensure that resources are managed wisely so they will be available for future generations to use and enjoy. This involves creating the right balance between economic development and the protection of our resources.

Government pursued the following goal in 2001–02:

- to foster an environment that allows and encourages Nova Scotians to work, live, raise families, and stay in Nova Scotia

Major Initiatives 2001–02

INITIATIVE

Develop a sewage management strategy for the province and work with municipalities to address current deficiencies in sewage management such as untreated sewage discharges, old and aging sewage treatment plants, and malfunctioning on-site systems. (Environment and Labour) (Goal 6, Major Initiative #1)

A draft sewage management strategy was completed, incorporating feedback from public consultations in June 2001 and meetings with government stakeholders, including Environment Canada and the Union of Nova Scotia Municipalities.

The proposed sewage management program will include an implementation plan to address central sewage systems, on-site systems, development, financing, and the role of the Department of Environment and Labour. Public education is a key component of the program.

A new Water and Wastewater Branch was created within the department to better coordinate sewage management with other water issues.

INITIATIVE

Release a Water Resource Management Strategy focusing on clean drinking water, water quality protection, and water quantity assessment. (Environment and Labour) (Goal 6, Major Initiative #2)

A draft water resource management strategy has been completed based on a review of current and best practices for water management. The strategy will be finalized in 2002–03, following analysis of the recommendations of Part 2 of the Walkerton Inquiry Report.

Environment and Labour's new Water and Wastewater Branch has developed stronger programs to focus on clean drinking water, water quality protection, and water quantity assessment.

INITIATIVE

Implement the Nova Scotia Climate Change Strategy and work with the federal government and other provinces to implement the National Climate Change Action Plan. (Natural Resources, Environment and Labour, Intergovernmental Affairs) (Goal 6, Major Initiative #3)

The departments of Environment and Labour, Natural Resources, and Intergovernmental Affairs have been collaborating to ensure that implementation of Nova Scotia's Climate Change Strategy is coordinated with other environmental issues such as air quality.

The Climate Change Strategy was released in 2001 as part of the province's Energy Strategy. Both the Climate Change Strategy and the Energy Strategy recognized the need for more energy efficiency and more renewable energy production as key to the efforts to reduce the greenhouse gases that contribute to climate change.

INITIATIVE

Develop and implement sulphur dioxide emission reduction standards as part of Nova Scotia's commitment to reduce and ultimately eliminate acid rain damage. (Natural Resources, Environment and Labour) (Goal 6, Major Initiative #4)

The Nova Scotia Energy Strategy was released in fall 2001 and included sulphur dioxide reduction targets (25 per cent reduction in sulphur dioxide emissions by 2005 and a cumulative 50 per cent reduction in sulphur dioxide emissions by 2010). These reductions have been accepted by the province and Nova Scotia Power Inc. Plans for future power

generation capacity will take these requirements into account. An implementation plan is under development.

INITIATIVE

Work with federal and municipal governments to implement the Infrastructure Canada–Nova Scotia Agreement and invest in green infrastructure projects. (Service Nova Scotia and Municipal Relations) (Goal 6, Major Initiative #5)

In 2001–02, the first round of projects was approved for funding under the Canada–Nova Scotia Infrastructure Program. Under the $195-million, six-year program, the federal, provincial, and municipal governments each invest one-third of the cost of a project.

Fifty-nine projects were approved by March 31, 2002 and will be implemented over the next several years, representing an investment of more than $25 million by the province. The majority of the funding is directed to green projects, designed to ensure effective wastewater management and safe drinking water.

INITIATIVE

Enhance the comfort and safety of Nova Scotians by undertaking a preventive maintenance program for government-owned buildings, cleaning up contamination in government garage sites, renovating schools, and making road improvements by implementing components of a Transportation Management Information System. (Transportation and Public Works) (Goal 6, Major Initiative #6)

The Department of Transportation and Public Works undertook a number of activities in 2001–02 to promote comfort and safety of Nova Scotians, including

- The first steps of a preventive maintenance program for government-owned buildings managed by the department: Transportation and Public Works will conduct semi-annual inspections of government-owned buildings to determine what maintenance and upgrades are necessary.
- Remediation of seven Transportation and Public Works garage sites: In 2001–02, four sites were remediated, and three others will be completed in 2002–03.

- Development of a Transportation Management Information System: This system will link information related to pavement management, bridge management, traffic census and highway safety. This promotes informed decision making about highway maintenance priorities. Data preparation and pilot projects are well under way, and implementation will begin in 2002–03.

INITIATIVE

Sustain our natural environment by implementing new and updated forest management policies and developing long range management plans for Crown lands using the integrated resource management planning process. (Natural Resources) (Goal 6, Major Initiative #12)

One component of the Forest Strategy, the Wildlife Habitat and Watercourses Protection Regulations, came into effect on January 14, 2002. Buffer zones are required on most streams, lakes, and marshes during forest harvesting on all forest land. Forestry operators must also leave legacy trees and coarse, woody debris on the harvest site. Promotional materials, demonstration sites, and field tours were used to advise landowners, industry members, and the public of the new legal requirements.

The province is categorized into 38 eco-districts. No long-range management plans were in place as of March 31, 2002. During 2001–02 the Department of Natural Resources started work on the first plan as a pilot project, which will be used as a model for the preparation of subsequent plans for other eco-districts. The Mulgrave Plateau eco-district in eastern Nova Scotia was selected as the pilot site for development of long-range management plans.

INITIATIVE

Decommission Sysco plant and work with the Joint Action Group to clean up Muggah Creek. (Transportation and Public Works) (Goal 6, Major Initiative #15)

Provincial involvement in the decommissioning of Sysco and collaboration with the Joint Action Group to clean up Muggah Creek is now being coordinated by the Sydney Tar Ponds Agency, formed in August 2001, to streamline and focus provincial efforts related to these projects.

The consortium of Henry Butcher, Michael Fox International, Trans Canada Liquidators, and Philip Services Corp. was retained to liquidate Sysco's assets, which were auctioned on August 21 and 22. The stacks, blast furnace, and stoves were all demolished.

Contracts were awarded for work related to the cleanup of Muggah Creek.

A chronic-health risk assessment was completed on properties in the area north of the coke ovens. Plans for voluntary remediation of properties tested in the area are under way.

The $62-million federal/provincial/municipal cost-share agreement and the contract authority agreement have been extended by one year to March 31, 2003.

INITIATIVE

Environmentally safer highway maintenance

Transportation and Public Works adopted a number of new procedures to promote environmentally friendly highway maintenance:

- the use of road salt was reduced in 2001–02
- $2.4 million was spent on self-contained storage sheds to house salt, thus preventing sodium chloride from leaching into the environment
- the number of Road Weather Information System (RWIS) stations increased to 13 from 5 to alert staff when de-icing is needed.

INITIATIVE

Environmental remediation

The province completed the final phase of a three-year project to remove sediment contaminated with polychlorinated biphenyl (PCB) from North Bay of Five Island Lake, west of Halifax. The dredging removed more than 98.5 per cent of the PCBs from the bay.

Measuring Our Performance

DRINKING WATER QUALITY

Outcome: Healthy environment

What does the measure tell us?

Government is committed to sustainable management and protection of the environment and natural areas. An indicator of our progress in meeting this commitment is availability and access to clean water for all Nova Scotians.

One measure of availability and access to clean water is the quality of water from municipal water supplies (54 per cent of Nova Scotians are served by municipal water supplies). Municipally supplied water must meet the health-based criteria of the *Guidelines for Canadian Drinking Water Quality* (developed jointly by Health Canada and provincial health and

environment ministries). By tracking the percentage of Nova Scotians served by municipal water supplies that meet this standard, we get an overall picture of access to quality drinking water and can gauge the effectiveness of recently introduced water-monitoring regulations in meeting the health-based criteria.

Where are we now?

In 2001, 99 per cent of the Nova Scotia population served by municipal water supplies received water that meets the health-based criteria for coliform bacteria (a common and problematic contaminant) in the *Guidelines for Canadian Drinking Water Quality*. This is a considerable improvement over the 1998 baseline measure when 86 per cent received water of this standard. There are other health-based criteria relating to non-bacteriological contaminants for which the department will develop targets once baseline data are available.

Where do we want to be?

Our target for 2004–05 is to have 100 per cent of the population (served by municipal water supplies) receiving water meeting coliform bacteria criteria guidelines. Other criteria targets will develop as base-year data are available. This target will be achieved by enforcing recently introduced water monitoring regulations and implementing a drinking water strategy and municipal water supply protection plans.

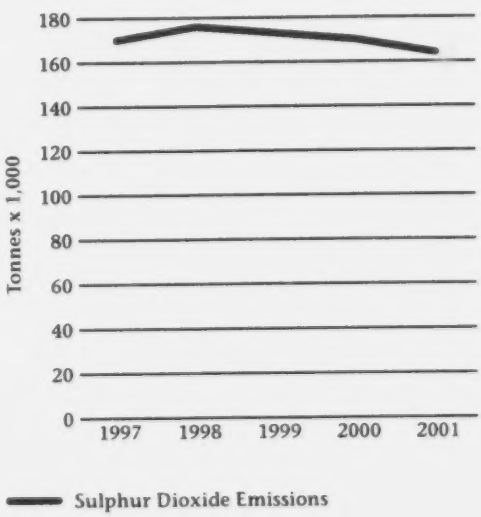
SULPHUR DIOXIDE EMISSIONS

Outcome: Healthy environment

What does the measure tell us?

Clean air is essential to a healthy environment and human health. Government works to reduce air contaminants affecting Nova Scotia's air quality. The quantity of sulphur dioxide (SO_2) emitted is a major determining factor for clean air. As a fine particulate matter, SO_2 is a prevalent and harmful air contaminant. It is the main contributor to acid rain and can have significant impacts on human health. Government has established realistic and measurable targets for the reduction of SO_2.

Annual Emissions of Sulphur Dioxide



Source: Nova Scotia Department of Environment and Labour

Where are we now?

In the year 2001, approximately 164,000 tonnes of sulphur dioxide were emitted in the province, primarily through major industrial sources. This is a reduction since 2000, when the figure was 170,000 tonnes.

Where do we want to be?

By working with major industries and establishing a requirement to reduce emissions through the use of lower-sulphur fuels, we aim to reduce total SO_2 emissions to 142,000 tonnes per year by 2004–05. It should be noted, however, that because industry is not required to meet targeted reductions until 2005, there may be some fluctuation in levels, both up and down, prior to 2005.

SOLID WASTE DIVERSION

Outcome: Healthy environment

What does the measure tell us?

Engaging participation by communities in environmental management is an important factor in achieving a healthy environment. Nova Scotia has set some of the most progressive waste reduction targets in Canada and is working to ensure community participation in recycling, composting, and other waste-management initiatives. This measure looks at the number of solid waste regions (out of seven regions in the province) achieving 50 per cent or more diversion from landfills.

In 2000, Nova Scotia became the first province to reach an overall diversion rate (amount of waste diverted from landfills by composting, recycling, etc.) of 50 per cent—a target established by the Canadian Council of Ministers of the Environment and agreed upon by all provinces. Each solid waste region of the province is expected to participate by reaching a regional diversion rate of 50 per cent.

Where are we now?

As of 2001–02, two of the seven solid waste management regions had reached a diversion rate of 50 per cent. No other province has yet reached a provincial diversion rate of 50 per cent.

Where do we want to be?

Our target is to reach a 50 per cent diversion rate in all seven solid waste regions by 2004–05. This will be accomplished through education, increased access to centralized composting, and enforcement of solid waste management regulations.

ENVIRONMENTAL FARM PLANS

Outcome: A sustainable environment

What does the measure tell us?

The number of registered farmers with environmental farm plans in place is

expressed as a percentage of all registered farmers under the Nova Scotia Farm Registration Act. Government assists farmers through educational and developmental programs that encourage sustainable farming practices—such as management of soil, water, and air quality.

Where are we now?

In 2000, the Department of Agriculture and Fisheries provided staff support to assist implementation of the Nova Scotia Federation of Agriculture's Environmental Farm Plan (EFP) Initiative. Four per cent of registered farmers had Environmental Farm Plans in place in 2000–01.

Where do we want to be?

The government is working towards a viable agriculture sector by providing staff support in the delivery of the Nova Scotia Federation of Agriculture's Environmental Farm Plan Initiative. Our target is to have 20 per cent of farms with Environmental Farm Plans in place by 2004–05.

LONG-RANGE MANAGEMENT PLANS ON CROWN LAND

Outcome: A sustainable environment

What does the measure tell us?

Just over one-quarter of Nova Scotia is provincial Crown land, and the government is responsible for managing it wisely. Long-range management plans (LRMPs) are developed to provide a framework for management and land-use decisions. The plans include information on these areas and longer-term objectives and goals for their use. The measure provides a clear indication of progress in getting these plans in place.

Where are we now?

The province is categorized into 38 eco-districts. No LRMPs were in place as of March 31, 2002. During 2001–02 work began on the first plan as a pilot project, which will be used as a model for the preparation of subsequent plans for other eco-districts.

Where do we want to be?

Eventually LRMPs will be prepared for each of the province's 38 eco-districts. The government has identified a target of 50 per cent of Crown land with LRMPs in place by the end of 2004–05. This is an ambitious target, since these plans are being prepared for the first time. It is

expected that it will take five to seven years to have the initial long-range management plans (or frameworks) in place for all eco-districts. After the initial plans are in place they will be subject to regular reviews.

ENDANGERED SPECIES RECOVERY PLANS

Outcome: A sustainable environment

What does the measure tell us?

The province is committed to the conservation and protection of species at risk, provincially and nationally, through the Nova Scotia Endangered Species Act and the Accord for the Protection of Species at Risk. This measure—the percentage of endangered species with recovery plans in place within one year after listing as an endangered species—is a straightforward indication of how much work is being done on restoring the health of endangered species.

Recovery plans are the focal instrument for addressing the recovery needs for species at risk. They guide governments, recovery teams, and others in their conservation efforts and are now being prepared as required in the Endangered Species Act. Recovery plans establish, for each endangered species, what needs to be done, how much it will cost, when it will be done, and who will do the work. The plans also set goals for what is required to down-list a species at risk and establish a strategy for attaining these goals. To down-list a species means to move it to a lower risk category, such as from endangered to threatened.

Where are we now?

As of March 31, 2002 there were 10 species listed as Endangered under our Endangered Species Act. Recovery plans were in place for 9 of these species. The only one without a recovery plan was a plant, eastern mountain avens; and a first draft of the plan for this species had been completed. Further information on the province's species at risk that have been listed to date can be found at <www.gov.ns.ca/natr/wildlife/endngrd/specieslist.htm>.

Where do we want to be?

Our target is to have recovery plans in place for all species listed under the Endangered Species Act by 2004–05 or sooner. We also plan to have recovery plans in place for each new endangered species within one year after it is first listed as being endangered.

SILVICULTURE ON PRIVATE AND INDUSTRIAL LANDS

Outcome: A sustainable environment

What does the measure tell us?

Wood supply sustainability can be managed effectively through an aggressive silviculture program. The government monitors wood harvesting and forecasts long-term wood supply by incorporating both harvesting and silviculture data. During the last 5 to 10 years there has been much pressure placed on private woodlots to support the provincial demand for wood. Maintaining an adequate level of silviculture will provide for a future supply of wood on private woodlots.

This measure is the percentage of required value of silviculture completed on private and industrial lands during the current year. It tells us whether we are complying with the requirement to carry out the level of silviculture activity necessary to balance forest harvesting on private and industrial lands.

Where are we now?

The regulations that require silviculture were introduced in 1999 and were phased in over a three-year period ending in 2001. During 2001, 99.7 per cent of the silviculture activity that registered wood buyers were required to carry out was actually completed. Virtually all registered wood buyers met or exceeded the level of silviculture activity they were required to undertake.

Where do we want to be?

The amount of silviculture required for 2002 will be based on the total volume of wood acquired in that year. As the regulations become fully implemented, and as more experience is gained by participants, the percentage of the required value of silviculture on private and industrial lands completed by registered wood buyers should remain high. This should allow us to meet, or come close to meeting, our 2004–05 target of 100 per cent. Audits, monitoring, and compliance programs will allow the level of compliance with the requirements to be tracked. Communication, education, and information initiatives will encourage a high level of compliance.

Government Services

In 2001–02 government continued to implement a planning, budgeting, and accountability framework to ensure that our priorities are well defined, that adequate resources are provided to achieve the results, and that results of initiatives are measured and reported.

Government was able to achieve a level of customer satisfaction of 89 per cent, with services offered through Service Nova Scotia and Municipal Relations. This figure includes customers who indicated they were either "satisfied" or "very satisfied" with the services they received.

Government's objective is to deliver electronically 50 per cent of transactions that can be performed in electronic format by the close of the 2004–05 fiscal year. Customer-service applications will be developed and implemented based on their value to clients and potential for utilization.

Government pursued the following goal in 2001–02:

- to provide responsible, accountable governance

Major Initiatives 2001–02

Build on initiatives to make it easier to do business with government. This includes the Nova Scotia Business Registry and expanding Registry of Motor Vehicle services to every county. (Service Nova Scotia and Municipal Relations) (Goal 3, Major Initiative*#1)

Government made major improvements to services to Nova Scotians in 2001–02. Approximately 10 per cent of all transactions through Service Nova Scotia and Municipal Relations were made available on line.

The Registry of Motor Vehicles (RMV) expanded its service hours in Liverpool and Shelburne. And to allow easier access to more services under one roof, separate Access Nova Scotia and Registry of Motor Vehicles locations in Yarmouth were combined into one Access Nova Scotia Centre. Separate Registry of Motor Vehicles and Consumer and Commercial Registry services in Port Hawkesbury were combined into one Access Nova Scotia office.

In fall 2001, the Nova Scotia Business Registry launched a self-service website with access to over 40 business licences and permits, as well as registration with the Workers' Compensation Board of Nova Scotia (WCB), and the Canada Customs and Revenue Agency.

This Web interface, available 24 hours a day, seven days a week, allows business clients to apply and pay for registration with a variety of provincial programs such as the Registry of Joint Stock Companies (RJSC). Customers may also view and update general business and contact information or renew their registration. Since the launch, more than 3,500 business clients have renewed their registration and more than 1,700 clients have submitted new applications for a number of RJSC transactions.

In January 2002, the NSBR added a new service in partnership with the WCB to enable clients to apply for and obtain, in real time, a WCB clearance letter. A clearance letter is written proof that a business has coverage from the WCB and that the account is up-to date. Many companies require clearance letters from contractors before they hire them, and clearance letters are often needed to bid on municipal or provincial tenders. This new service has enabled more than 5,600 WCB clients to obtain clearance more easily and quickly.

An on-line survey now allows government to measure clients' feedback on the services and to identify improvements that can be made to the system. Most clients rate the service as very good and indicate that they will definitely use the service again.

INITIATIVE

Make government services available when, where, and how citizens want them. Service Nova Scotia Express kiosks, new self-serve computer terminals, will be located in every county, and secure on-line Registry of Motor Vehicles and Vital Statistics services will be offered over the Internet. (Service Nova Scotia and Municipal Relations) (Goal 3, Major Initiative #2)

Express Window kiosks were established in Access Nova Scotia locations and in many Registry of Deeds locations across the province, enabling both on-line and telephone access to departmental information and transaction services. In-person Registry of Motor Vehicles service hours were extended at Registry of Deeds locations in Liverpool and Shelburne.

The department implemented secure on-line applications for RMV vehicle registration renewals and changes of address as well as requests for birth, marriage and death certificates.

INITIATIVE

Proceed with a number of e-government initiatives, including an electronic land registry to allow users to access records from home and from county-based registry offices. (Service Nova Scotia and Municipal Relations) (Goal 3, Major Initiative #3)

The Land Registration Act, passed in June 2001, provides the foundation for a new Nova Scotia land registration system, which will improve the security of land ownership in the province.

It is anticipated that the legislation will be proclaimed in Colchester County by the end of the 2002–03 fiscal year, with roll-out to the rest of the province being completed within the next several years. A new fee structure to self-fund the land registration system was also implemented in 2001–02.

A detailed evaluation of five Canadian land-registration systems was completed in November 2001. In January 2002, Nova Scotia signed an agreement to acquire the New Brunswick CARIS LIN software as the base for the new Nova Scotia land registration system. Work is under way on the detailed design of modifications to the system for implementation in Nova Scotia.

Government began using "shopping cart" software to make it easier to order government publications on line and an "Ask Joe Howe" search engine to make it easier to find on-line services on the government website.

Development of on-line application forms for paying fines and purchasing driver services (written and road tests) was also completed during 2001–02. A Web portal system was also under development to make the site easier for consumers to use. Implementation is scheduled for 2002–03.

Government established an on-line site for property assessment information. Owners can compare property assessments in their area and decide if their own assessments are reasonable in relation to others. The assessment public-access site is promoted through all Service Nova Scotia and Municipal Relations offices with public Internet terminals and through some municipal tax offices.

After the release of the 2002 assessment notices more than 8,000 people visited the site, which experienced over a million hits. A survey of Nova Scotia property owners indicated that nearly 60 per cent have easy access to the Internet and, of those who went on line, almost 70 per cent stated they found what they were looking for.

INITIATIVE

Extend the accountability framework to public-sector entities by developing clearer governance structures and new systems for reporting and monitoring and consistent administrative policies. (Treasury and Policy Board) (Goal 3, Major Initiative #4)

The Government Restructuring (2001) Act, passed in spring 2001, formalized a structure to support good management, accountability, and human-resource planning.

The act included the formal creation of Treasury and Policy Board and the Public Service Commission, with a mandate to promote accountability for every department and agency.

Treasury and Policy Board was restructured to ensure a closer link between business planning and budget planning. Spending decisions are no longer isolated from policy and program choices.

The first government and department annual accountability reports were published in fall 2001. Government also introduced mandate letters for deputy ministers to articulate what they are responsible and accountable for.

Public-sector agencies, such as school boards and health boards, started to develop business plans in 2001. Government adopted a policy to promote the use of use of contracts for public-sector agencies.

The Lobbyist Registration Act was passed in fall 2001 session of the Legislature. The act will require those who are paid to lobby public-office holders to register and file returns with a registrar concerning their lobbying activities. The public will be able to view the lobbyist database on line at Service Nova Scotia and Municipal Relations.

INITIATIVE

Enhance consumer protection for Internet transactions and work with other provincial jurisdictions to provide a coordinated, national approach. (Service Nova Scotia and Municipal Relations) (Goal 3, Major Initiative #6)

Government passed legislation in November 2001 to give more protection to consumers who shop over the Internet. As a result of the amendments, consumers can expect on-line merchants to provide them with clear disclosure and a written or electronic contract. They will also have cancellation rights when a merchant doesn't meet certain obligations. All provinces in Canada are in the process of adopting protections similar to those Nova Scotia is putting in place.

The legislation was developed in co-operation with federal, provincial, and territorial governments. The new protections are included in amendments to the Consumer Protection Act and will go into effect in 2002–03.

INITIATIVE

Introduce service agreements to provide greater accountability for approximately $45 million in public funding given to community groups and organizations that provide services to thousands of people. (Community Services, Health, Education, Justice) (Goal 3, Major Initiative #7)

An Interdepartmental Accountability Agreement has been developed. Information sessions on this accountability agreement will be held in 2002–03 with the community-based grant agencies affected.

The Department of Education planned the phased introduction of the government's service agreement policy to grant recipients, initially in the adult education field.

INITIATIVE

Continue work on a comprehensive government-wide user fee policy to ensure that all fees meet appropriate criteria for cost recovery. (Treasury and Policy Board) (Goal 3, Major Initiative #8)

In 2001–02, government strengthened the approval process for new fees or changes to existing fees and cost-recovery measures. In prior years, proposals for new fees or cost-recovery measures were developed by departments and presented to government for approval throughout the year. Departments and government agencies are now required to submit all revenue generation or cost-recovery proposals for approval in December.

Proposals are now evaluated jointly by the Department of Finance and Treasury and Policy Board, taking into consideration several factors, including the collective impact on citizen groups of the various proposals, the fees charged in other jurisdictions for similar services, the magnitude of the proposed fee increase, and the cost of providing the related service. The new process serves to improve fairness and equity by providing more consistent evaluation and ensuring that particular groups are not unduly affected by a combination of fee increases.

Treasury and Policy Board continues to develop a comprehensive government-wide user-fee policy that will incorporate the changes described above and address other user-fee policy issues. The planned completion date for a government-wide policy is March 31, 2003.

INITIATIVE

Complete implementation of the SAP accounting system to school boards, universities, hospitals, and municipalities. (Finance, government agencies) (Goal 3, Major Initiative #9)

The Nova Scotia government has been using the SAP Corporate Financial Management System (CFMS) in all departments and offices since 1997. Modules of the system include Finance, Funds Management and Procurement, Asset Management, Plant Maintenance, and Inventory.

In 2001–02, the SAP Finance, Procurement, Inventory, Funds Management, and Business Warehouse modules were introduced in all seven regional school boards. This makes information easy to compare and gives the Department of Education on-line and real-time access to each board's information. The system is expected to be introduced in all Nova Scotia public schools by 2003–04.

The system is also expected to be introduced in District Health Authorities beginning in 2003–04 to provide similar advantages to the health sector.

The following also received SAP software in 2001–02:

- Nova Scotia Teacher's Pension Plan—SAP Finance and Procurement modules reporting in a January–December fiscal year
- Nova Scotia Business Incorporated—SAP Finance and Procurement modules

INITIATIVE

Update government's program inventory and develop a methodology to allocate central support costs to each program. (Treasury and Policy Board, all government) (Goal 3, Major Initiative #10)

A steering committee, chaired by Treasury and Policy Board with cross-sectional departmental representation, was established. Briefing sessions with deputy ministers, senior financial executives, and policy staff, as well as several focus groups with other staff, were conducted and used to develop a project charter and work plan.

A common definition of a government program has been developed, along with a template for use by all departments to inventory their programs.

A pilot department was selected to test the program definition, and the template was scheduled for testing in 2002–03. Hiring of a project manager position was recommended for 2002–03 to support government departments in the use of the program definition and to develop a compatible cost-allocation methodology.

INITIATIVE

Complete the 10-year needs study of the primary and secondary highway, which will serve as a guide for improving the provincial highway system. (Transportation and Public Works) (Goal 3, Major Initiative #11)

The study was completed in May 2001. It identified spending requirements of approximately $340 million a year to meet both system expansion needs and the preservation and rehabilitation of existing highways and bridges. It is being used by the department to help set priorities for planning, surveys, and preliminary design work.

The government has made a commitment to spend more on roads. In 2001–02 government began increasing the Department of Transportation and Public Works' capital budget for highways and bridges. Over three years, this will result in an additional $31 million invested in Nova Scotia highways.

INITIATIVE

Finalize negotiations on a private-sector management contract for operation of Nova Scotia's Signature Resorts. (Tourism and Culture) (Goal 3, Major Initiative #12)

The provincial government completed negotiations and entered into a contract with New Castle Hotels to operate the province's Signature Resorts—Keltic Lodge in Ingonish Beach, The Pines Resort in Digby, and Liscombe Lodge in Liscomb Mills. The contractor will operate and market the properties.

Measuring Our Performance

BALANCED OR SURPLUS BUDGET

Outcome: Open and accountable government

What does the measure tell us?

This measure reflects the achievement of fiscal targets that reduce the deficit in 2001–02 and deliver a balanced budget in 2002–03. Continually reducing deficits and a balanced budget shows that the government is living within its means.

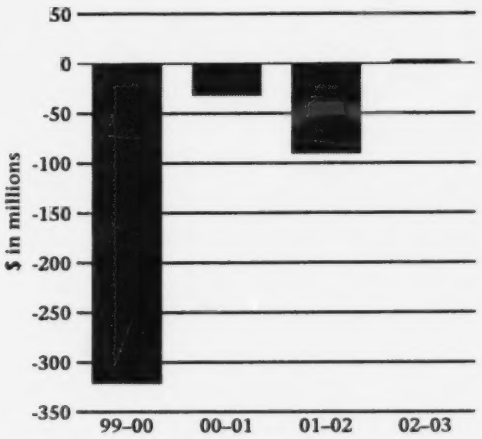
Where are we now?

Nova Scotia's 2001–02 deficit is $54.2 million. The 2002–03 budget projects a surplus of $1.3 million.

Where do we want to be?

We want to be in a surplus position. The government has released its four-year fiscal plan, projecting surpluses in future years.

Provincial Surplus (Deficit)



(Deficit) surplus before provision for Unusual Items: Sysco (1999-2000); Gain on sale of NSRL (2000-01).

Source: Nova Scotia Department of Finance.

GOVERNMENT ENTITIES COMPLETING ANNUAL BUSINESS PLANS

Outcome: Open and accountable government

What does the measure tell us?

This measure indicates compliance with and support for the Government of Nova Scotia's commitment to the principle of open and accountable government.

Business plans promote public accountability by providing a benchmark against which results can be assessed. On an annual basis, departments, public service votes, and Crown corporations identify their priorities for the coming fiscal year, within the context of their

mission and core business areas and government's priorities. The results achieved are detailed in accountability reports prepared following the end of the fiscal year.

Where are we now?

For base year 2001–02, 100 per cent of government entities—that is, departments, public service votes, and Crown corporations listed in the Business Planning Guidelines—completed annual business plans.

Where do we want to be?

Our plan is to maintain current levels, with all departments, public service votes, and Crown corporations producing annual business plans.

ACTUAL GOVERNMENT EXPENDITURE

Outcome: Open and accountable government

What does the measure tell us?

One gauge of the effectiveness of government's financial and business planning systems is the ability to achieve fiscal targets. This measure shows actual government expenditure reported as a percentage under or over budget. Interpreting the measure, however, is not as straightforward as it may seem. There are numerous factors involved, and any one or combination of them may significantly change the result. For example, if revenues increase, government may choose to increase expenditures in areas that truly require the additional funds. At other times, there is less control over expenditure—like binding arbitration awards on wage settlements that are higher than anticipated.

Where are we now?

Actual net program expenses were $104.63 million, or 2.5 per cent over budget in 2000–01 (this is the corrected baseline for 2000–01). Net program expenses in 2001–02 were $98.8 million, or 2.26 per cent over budget. A substantial portion of the over-expenditure in 2001–02 was due to wage settlements.

Where do we want to be?

The longer-term target is to keep net program expenses within 1 per cent of budget.

Government will continuously improve its budgeting and business planning processes to meet the provisions of the Provincial Finance Act.

CUSTOMER SATISFACTION

Outcome: Open and accountable government

What does the measure tell us?

Government aims to deliver programs and services in ways that are cost-effective and that improve the quality of services. Taking the pulse of customers' expectations and experiences with the delivery of government services provides valuable information on where best to focus attention to continually improve the delivery of services.

The customer satisfaction percentage quoted below comes from a customer-satisfaction survey performed during 2001 on services available through Service Nova Scotia and Municipal Relations. An external organization visited various service centres and interviewed customers.

Customer satisfaction is a key variable indicating whether government is achieving its desire to be open and accountable to customer concerns and expectations and to provide responsible, accountable governance.

Where are we now?

Overall customer satisfaction with services offered through Service Nova Scotia and Municipal Relations was 89 per cent. This figure includes customers who indicated they were either "satisfied" or "very satisfied" with the services they received.

Where do we want to be?

Government wants to continue to satisfy its customers and maintain an overall satisfaction rate of 90 per cent.

GOVERNMENT SERVICE TRANSACTIONS PERFORMED ELECTRONICALLY

Outcome: Open and accountable government

Government aims to deliver programs and services cost-effectively and works to improve the quality of services. One way of making improvements is by developing and implementing electronic service delivery.

What does the measure tell us?

This measure indicates the approximate percentage of service transactions performed electronically (Internet and interactive voice response). Registry of Motor Vehicles registration renewals (a high transaction-volume area) are being used as the initial transaction-measurement group. As e-service capability matures, additional transaction types will be added to the measurement.

Where are we now?

Upon the close of 2001–02, about 18 per cent of service transactions available through Service Nova Scotia and Municipal Relations were performed electronically.

Where do we want to be?

Government's objective is to have 50 per cent of transactions that lend themselves to an electronic delivery format performed electronically, by the close of the 2004–05 fiscal year. Customer service applications will be developed and implemented based on their value to clients and potential for use.

Appendix: Measuring Our Performance

Nova Scotia's Government Business Plan outlines corporate measures each year to track the performance of government programs and services. The Annual Accountability Report provides the opportunity to assess whether the intended outcomes are being achieved. Reporting accurate, relevant, and consistent information is essential to effective decision making and policy development and fundamental to government's accountability to its citizens.

Finding appropriate, meaningful performance measures is a challenge for all governments and, indeed, all organizations. The government of Nova Scotia continues to improve this measurement process. In 2001–02, we made considerable progress in defining our performance measures, and this has resulted in a number of changes.

OUTCOME MEASURES VS. PERFORMANCE MEASURES

We focus on outcomes, but we are measuring government's performance on those programs and services that contribute to the achievement of desired outcomes for the province. In addition we have implemented the principles and practices of performance measurement. As a result, we use the term "performance" measures rather than "outcome" measures.

CONSISTENCY WITH NATIONAL AND INTERNATIONAL MEASURES

We have aligned the measures chosen, where possible, with those used by national and international organizations. This allows more meaningful comparability. It should be noted that further changes may be necessary as the national and international measures evolve.

PERFORMANCE MEASURES HAVE A CONTEXT

Measures are not expressed as numbers alone. Each measure is given a full context to explain what the statistics mean, why they are important, and how they relate to government's priorities. This prevents misinterpretation of statistical data.

MEASURES ALIGNED WITH ACCOUNTABILITY REQUIREMENTS

Measures now respond to the topics in the 2001–02 business plan, but in a modified form. The revised measures are purposeful, clearly defined, and easy to interpret. Essentially, the improved 2002–03 measures are being used for this report.

MEASURES LINKED TO CORE BUSINESS AREAS

We tie measures to core businesses—those key government programs and services that do not change significantly each year. Measures are categorized under the six core business areas of government: health and health care, education and learning, the economy, families and communities, the environment, and government services. The measures should not change significantly from year to year, even if there are changes to priorities within the core businesses.

SOME SOCIETAL OUTCOMES INCLUDED

We identified three levels of outcomes: immediate, intermediate, and long-term (societal) outcomes. The government business plan and accountability report focus on the immediate and intermediate outcomes—the ones we can influence more and for which there is a reasonable link between the actions and intended outcomes of a program/service. Societal outcomes—like those associated with literacy, life expectancy, health status, prosperity, and innovation—are achieved through the actions of many contributors, including government.

We need to be aware of changes and trends that will help to shape the policies, programs, and services of the future. For this reason, we continue to include some of these societal measures—such as employment, crime rates, and road safety—in our list.

NOVA SCOTIA